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Department for
**Employment
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Consultation document on the development of a Higher Education Strategy for Northern Ireland

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Ministerial foreword



Higher education should inspire, encourage and transform. It should inspire individuals, encourage local communities and seek to transform our civic society.

I believe that higher education enriches our lives in a variety of ways. It raises the aspirations of our people, equips them for the world of work, enhances the skills base of Northern Ireland and contributes to an inclusive, diverse and dynamic society.

Our higher education institutions make a significant contribution to our local economy through employment, international partnerships, research and associated activities. In broader terms, the cultural and social value that they deliver is apparent in our everyday lives. Through sport, social amenities, the arts, community engagement and lifelong learning they offer a wealth of benefits to our society.

I commend Northern Ireland's higher education institutions: the two universities, two university colleges, the Open University and the six further education colleges which all cater to Northern Ireland's diverse higher education student population. I acknowledge the important role that they play in enriching the lives of our people, our economy, our community and our society as a whole. I am in no doubt that they will continue to play an important role as we look towards the future. However, times are changing, and just as other sectors in Northern Ireland have to meet the ever increasing challenges emerging, so too does the higher education sector. The economy has changed, expectations have increased, demand has risen and the world has become more globalised with continual advances in technology.

I therefore believe that now is an opportune time to establish a new vision for the higher education sector in Northern Ireland; one which will aid us in developing a strong, collective, strategic approach to higher education in Northern Ireland; an approach where all beneficiaries of higher education have key roles to play. It is imperative that our vision for the future of the higher education sector in Northern Ireland should seek to establish a clear pathway for development and facilitate the opportunity to create a distinctive, strong and internationally renowned sector. A sector that is responsive, flexible and accessible to all.

Therefore, I welcome your views on the questions within this consultation document on the development of a Higher Education Strategy for Northern Ireland. I hope to hear from as many of our stakeholders as possible during the consultation process.

A handwritten signature in black ink that reads "Danny Kennedy". The signature is written in a cursive style with a horizontal line underneath the name.

DANNY KENNEDY MLA
Minister for Employment and Learning

Introduction by Sir Graeme Davies, Chair of the Steering Group



It is now widely recognised that higher education is a key driver in providing economic and social benefits to society and has a pivotal role to play in the development of a modern, knowledge-based economy that supports the creation of confidence and inclusivity. In that context, the higher education institutions in Northern Ireland play a vibrant role in the local economy, generating significant additional investment and offering access to higher skills for a substantial proportion of Northern Ireland's young people and for those in work. The development of a Higher Education Strategy for Northern Ireland provides the opportunity to influence and shape the future of the higher education sector in Northern Ireland up to 2020.

This consultation document sets out proposals for your consideration and asks some fundamental questions about the future role of Northern Ireland's higher education institutions, about their contribution to wider society and, particularly, the economy, and about the nature of their relationship with Government, the taxpayer and their stakeholders.

The responses received to this consultation will inform the development of the Higher Education Strategy for Northern Ireland and pave the way for the establishment of a distinctive higher education sector: a sector that benefits not only its participants but society as a whole. I am grateful for the hard work and advice of my colleagues on the Steering Group and the Chairs and members of the Expert Groups in helping to shape this consultation document. I urge you to use this opportunity to help shape the future of the higher education sector in Northern Ireland.

A handwritten signature in black ink, which appears to read 'Graeme Davies'.

Sir Graeme Davies
January 2011

SECTION 1: INTRODUCTION

1.1 BACKGROUND

Northern Ireland can be justifiably proud of its higher education sector and institutions; the Queen's University of Belfast, the University of Ulster, Stranmillis University College, St. Mary's University College, the Open University and the six further education colleges. The Queen's University of Belfast and the University of Ulster are recognised for the quality of their teaching across the UK and further afield, and are also respected as sources of leading edge and world class research. Between them they have trained most of the professionals who work in Northern Ireland – in science and engineering, business and legal services, health, education and many other sectors. Graduates of Stranmillis University College and St. Mary's University College are sought after to fill the demanding roles of educating and preparing children for adult life. The Open University, and increasingly, our further education colleges offer alternative routes to higher level qualifications and lifelong learning, providing a wide range of opportunities for individuals to maximise their potential. In their own way, all of our higher education institutions (HEIs) have made, and continue to make, vital contributions to our cultural life, our civil society and our economic and intellectual prosperity.

However, the world is changing and, just as other sectors of our society and economy have to respond to these changes, so does our higher education sector. The 'traditional' 18-21 year old student cohort, the funding for whom accounts for a substantial (but reducing) proportion of the higher education sector's income, is contracting. Our economy is demanding a higher level of skills and more graduates. Students, both full-time and part-time, have greater expectations regarding teaching quality and the "student experience". The population is also becoming more mobile, the higher education sector more competitive, and the funding environment distinctly more difficult.

As we move into the second decade of the 21st Century, this document asks some fundamental questions about the future role of our HEIs, about their contribution to society and the economy, and about the nature of their relationship with Government and their stakeholders. The objective, following this consultation, is to establish a framework for the HEIs' strategic development over the next decade: one which acknowledges and respects their values and traditions, and the contribution they have made to our society, but also one which appropriately recognises the interests of the taxpayer as a significant funder of their activities. The overriding aim is to establish an environment in which our institutions can continue to flourish, making a distinctive contribution to the social, cultural and economic wellbeing of Northern Ireland.

1.2 THE DEVELOPMENT OF THE STRATEGY

In late summer 2009, the then Minister for Employment and Learning, Sir Reg Empey MLA, appointed Sir Graeme Davies, the former Vice Chancellor of the University of London, to oversee the development of a Higher Education Strategy for Northern Ireland.

Subsequently, a Steering Group, a Project Group and five Expert Groups were established to support the development of the Strategy. These groups comprised a wide

SECTION 1:

INTRODUCTION cont.

range of stakeholders from higher education, the community/voluntary sector, further education, schools, business and student representatives. Membership of the Groups is outlined at **Annex C**.

To ensure that the Steering Group was kept informed of the work of the Groups, Sir Graeme Davies held regular meetings with the Chairs of the Expert Groups. Two stakeholder engagement events were held in Belfast and Londonderry to give stakeholders the opportunity to express their views on higher education in Northern Ireland.

The Expert Groups considered and made recommendations on five key themes:

- the contribution of the higher education sector to civil society, and the cultural development of our local communities [Society/People];
- how to ensure fairer access to higher education irrespective of background and experience and how we might promote and sustain excellence in teaching and student experience [Learning];
- how to maximise the contribution of higher education to local economic development [Economy];
- how the higher education sector might contribute to the strengthening of Northern Ireland's position as an outward-looking innovative local economy operating in an increasingly competitive world [International]; and
- given the significant level of taxpayer support, how we can ensure an appropriate and effective system of funding and of governance for the sector. [Finance/Governance].

The Expert Group Chairs presented their findings and recommendations in the summer of 2010 to the Steering Group. Their reports have informed the development of this consultation document.

1.3 THE CONSULTATION DOCUMENT

This document reflects the findings and conclusions of the Expert Groups and their recommendations have been attached at **Annex B**.

Section 2 provides an overview of higher education in Northern Ireland today. It provides high level information on the funding and activities of the sector. It highlights some of the key challenges the sector will face over the next decade. The themes identified are further developed in the subsequent sections.

Section 3 offers a future vision for higher education in Northern Ireland. Proposals are outlined in subsequent sections (4-8) which address how, in a rapidly changing environment, we might give effect to that vision by ensuring fair access to higher education for all those who have the capacity to benefit, promoting excellence in learning, maximising the contribution of the sector to economic development, ensuring that higher education funding is fit for purpose, promoting a more outward looking

SECTION 1:

INTRODUCTION cont.

society and adding value to the cultural life of Northern Ireland. We would welcome your views on these proposals.

The responses received to this consultation will inform the development of a Higher Education Strategy for Northern Ireland and pave the way for the establishment of a distinctive higher education sector: a sector that benefits not only its participants but society as a whole.

1.4 AVAILABILITY AND RESPONSES

This consultation is available online on the Department for Employment and Learning's website: www.delni.gov.uk/hestrategy

It runs for 12 weeks from Thursday 20 January 2011 to Friday 15 April 2011 and applies to Northern Ireland. Information on how to respond can also be found on the Department's website. Correspondents are asked to submit their views as early as possible during this period to allow as much time as possible for consideration.

A number of proposals have been identified in relation to this consultation. These proposals are contained in Annex A and also separately in a supplementary questionnaire. The questionnaire can be downloaded in Word format from the Department's website or answered online.

If a printed copy of the consultation document or the questionnaire is required, they can be requested from the contact details provided in this section. Requests for this paper in different formats and languages will also be considered.

The Expert Group reports can also be requested from the contact details provided in this section. All responses not submitted electronically must be made in writing and attributable so that there is an objective record of the view expressed. Your name, address and organisation name, if applicable, should be clearly stated. Responses should be submitted before the closing date.

SECTION 1: INTRODUCTION cont.

Responses should be sent to:

Laura Carroll
Higher Education Policy Branch
Department for Employment and Learning
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: (028) 9025 7512
Fax: (028) 9025 7747
Email: HEPolicy.Branch@delni.gov.uk
Website: www.delni.gov.uk/hestrategy

While we cannot accept responses by telephone, general enquiry calls may be made to the above number.

1.5 FREEDOM OF INFORMATION

Confidentiality

The Department will publish a summary of response following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Any automatic confidentiality disclaimer generated by your IT system will be taken to apply only to the information in your response for which confidentiality has been specifically requested. Before you submit your response, please read the paragraph below on the confidentiality of consultations and they will provide you with guidance on the legal position regarding any information given by you in response to this consultation. The Department will handle any personal data you provide appropriately in accordance with the Data Protection Act 1998.

The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. The right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential, any information supplied to it in response to a consultation. However, the Department does have the responsibility to decide whether any information about your identity, should be made public or treated as confidential.

SECTION 2: HIGHER EDUCATION IN NORTHERN IRELAND TODAY: ACHIEVEMENTS AND CHALLENGES

2.1 INTRODUCTION

This section provides an overview of higher education in Northern Ireland today. It describes the role and activities of our HEIs over the last few years, and the challenges that the sector will face in the future.

2.2 HIGHER EDUCATION IN NORTHERN IRELAND

2.2.1 Participants in higher education

Higher education embraces a range of qualifications from Certificates of Higher Education through to degrees and PhDs (levels 4-8)¹. The Northern Ireland higher education sector, therefore, comprises all providers which deliver courses leading to these qualifications.

Higher education in Northern Ireland is delivered principally through two universities, Queen's University Belfast (QUB) and the University of Ulster (Ulster), and two university colleges, St. Mary's University College and Stranmillis University College. In academic year (AY) 2008/09, 48,240 students were enrolled at these institutions.

The Open University in Ireland also makes a significant contribution to the Northern Ireland higher education sector with 4,220 students from Northern Ireland enrolled in AY 2008/09. In addition, Northern Ireland's six further education colleges (FECs) deliver a broad range of higher education courses, with 10,281 students enrolled in AY 2008/09. This represents around 7% of all professional and technical enrolments in FECs.

As with other regions of the UK, a relatively large proportion of Northern Ireland domiciled participants in higher education also attend institutions outside their home region. In 2008/09, 16,345 (26.3%) of Northern Ireland domiciled students chose to study elsewhere in the UK². This has decreased over recent years with a large majority of students being 'determined leavers' who want to leave Northern Ireland to study elsewhere³.

Welsh domiciled students follow a pattern similar to Northern Ireland; 31.7% chose to study elsewhere. In England, only four regions make provision for more than 50% of their students, these being Yorkshire and The Humber, the North East, the North West and London. Other English regions show an outflow of more than half of their students to other regions, and this outflow is particularly marked from the South East and the East of England. Finally, only 5.5% of Scottish domiciled students chose to study elsewhere, which may be attributed to the absence of tuition fees for Scottish students at Scottish institutions. It should be noted, however, that student finance arrangements in Scotland are currently under review.

1. <http://www.qaa.ac.uk/academicinfrastructure/fheq/ewni/default.asp>

2. This figure does not include Northern Ireland domiciled students who study via the Open University (which is funded by the Higher Education Funding Council for England).

3. 'Higher Education in Northern Ireland: A Report on Factors Associated with Participation and Migration' – Bob Osborne and Alayne Smith and Amanda Hayes

SECTION 2: HIGHER EDUCATION IN NORTHERN IRELAND TODAY: ACHIEVEMENTS AND CHALLENGES cont.

Student mobility within the UK does not necessarily lead to a 'brain drain', however. Universities UK reports that there is a strong relationship between the region of domicile and the region of employment. Many students are inclined to return to their home region after completing their studies⁴.

The numbers attending higher education have increased significantly in recent years with almost 50% of the 'traditional' core cohort of 18 year-olds entering higher education in recent years compared to 15% in 1980. Participation rates for young people are also higher in Northern Ireland than in the rest of the UK⁵.

2.2.2 Role and activities of higher education institutions

Northern Ireland's HEIs are not solely seats of learning. In addition to teaching, they are the major source of research and development (R&D) activity in Northern Ireland. As such, they are critical to Northern Ireland's development as a knowledge-based economy, capable of attracting foreign investment in high quality jobs. Activities in this area include the development of strategic external partnerships with industry and HEIs in Great Britain (GB), the Republic of Ireland (ROI), Europe and further afield. They also play a key role in meeting the skills needs of the local economy. The HEIs have also developed a number of highly successful spin-off companies. It is estimated that, through their research and development work, over £600m of economic activity was generated throughout the UK, two-thirds of which accrued in Northern Ireland, making an important contribution to the local economy.

2.2.3 Status and funding

Northern Ireland's universities are not public sector bodies. They are charitable institutions established by Royal Charter and are, therefore, autonomous bodies. HEIs receive a substantial level of public funding which is supplemented with income from other sources. Individual users also contribute in a significant way to the costs of their education and training. In 2008/09 the combined income of the universities and university colleges was £500 million. Of this, government investment accounted for 38% and 46% of Queen's University's and the University of Ulster's income respectively, and 63% and 64% for Stranmillis University College's and St. Mary's University College's income respectively.

In addition to the funding provided to the universities and university colleges, the Department also funds the provision of higher education in the FECs (HE in FE). In 2009/10, £25.7 million was made available to HE in FE through this mechanism.

2.2.4 Student support

The Department also provides a range of financial support measures for full-time undergraduate higher education students. These include: tuition fee loans; maintenance

4. UUK 'Tenth Report – Patterns of higher education institutions in the UK' <http://www.universitiesuk.ac.uk/Publications/Documents/PatternsOfHigherEducationInstitutionsInTheUK.pdf>
5. Learning Expert Group report, pg 38

SECTION 2: HIGHER EDUCATION IN NORTHERN IRELAND TODAY: ACHIEVEMENTS AND CHALLENGES cont.

loans; maintenance grants; parents' learning allowance; disabled students allowance and childcare grants. Part-time undergraduate students, who are studying at least 50% of an equivalent full-time course, can also apply for student support in the form of a fee and course grant. In 2009/10, £286 million of student support was paid to undergraduate students by the Department, an increase of £128 million since 2005/06.

2.3 ACHIEVEMENTS OF NORTHERN IRELAND'S HIGHER EDUCATION SECTOR

The higher education sector in Northern Ireland can point to a number of significant achievements over the last decade.

The sector has had a positive impact on the local economy leveraging significant additional investment from external sources. Internationally, Northern Ireland's universities have an excellent profile in regard to research. In the 2008 Research Assessment Exercise (RAE), of the research submitted by both Queen's University and the University of Ulster, 50% was judged to be either world-leading or internationally excellent. Northern Ireland's universities and university colleges also have high levels of student satisfaction with 83% of students satisfied with their course in comparison to the UK average of 82% as reflected by the results of the 2010 National Student Survey.

Northern Ireland's higher education participation rates are also the highest in the UK. In 2008/09 (AY) Northern Ireland's higher education age participation index was 48.2%, almost double the participation index of 1989/90⁶. Representation from students from lower socio-economic groups is the highest in the UK, with 41.7% of young full-time first degree entrants to Northern Ireland HEIs in 2008/09 coming from age adjusted Socio-Economic Classification Groups 4-7. This is well above the UK average of 32.3%⁷. Northern Ireland's HEIs also have well established links with academic and business partnerships throughout the world.

2.4 CHALLENGES FACING THE HIGHER EDUCATION SECTOR

The higher education sector has clearly made a positive contribution to cultural and economic life in Northern Ireland. This represents a strong platform on which to build for the future. However there are a number of distinct and difficult challenges which need to be faced.

2.4.1 Demographic challenges

Northern Ireland faces demographic changes, such as the forecast reduction in the 18 year old population. It is estimated that their numbers will decrease by approximately 15% over the next ten years⁸. With fewer 'traditional' entrants, higher education in Northern Ireland will need to adapt. Existing evidence also suggests that almost 80% of the 2020 workforce have already completed their compulsory school education⁹. Higher

6. http://www.delni.gov.uk/higher_education_age_participation_index_for_northern_ireland_1989-90_to_2008-09.pdf

7. HESA Performance Indicators

8. <http://www.nisra.gov.uk/demography/default.asp20.htm>

9. 'Success Through Skills 2' – Department for Employment and Learning Analytical Services using Northern Ireland population estimates from Northern Ireland Statistics and Research Agency

SECTION 2: HIGHER EDUCATION IN NORTHERN IRELAND TODAY: ACHIEVEMENTS AND CHALLENGES cont.

education provision will, therefore, need to become more flexible to accommodate the diverse learning needs not only of those leaving school, but also those in work.

2.4.2 Increasing competition

As a consequence of the demographic trends, the sector will become increasingly competitive as institutions throughout the UK (and indeed further afield) seek to fill their places from a shrinking catchment population. Competition for research funds is also likely to increase.

2.4.3 International challenges

The advent of globalisation has brought increased competition from overseas. The rapid growth of economies such as Brazil, Russia, India and China (BRIC economies) has created many global challenges, including competition for students, jobs and capital. The quality of skills, R&D and education will determine future prosperity¹⁰. As highlighted by the 2008 MATRIX Report, if Northern Ireland is to rise to the challenges of the 21st century it is essential that it does more to look and work outward, in terms of both its international market share and international mobility¹¹. The higher education sector has a key contribution to make in these areas.

2.4.4 Employment challenges

Any reduction in expenditure throughout the public sector in the UK will have a significant effect on Northern Ireland, as public sector employment here is significantly higher than in the rest of the UK. In Northern Ireland, a greater proportion of establishments in the public administration and education sectors take on graduates than in any other sector. As these opportunities diminish, there is a real risk of students going elsewhere unless other opportunities are generated. The higher education sector has a key role to play in leveraging the necessary investment.

2.4.5 Skills challenges

Although skill levels in the NI workforce have been improving steadily in recent years, evidence shows that Northern Ireland needs a more highly skilled population now and in the future. A recent report by Oxford Economics, entitled *Forecasting Future Skills Needs in Northern Ireland*¹², states that the Northern Ireland economy has an increasing need for people with higher level skills (level 4-8). The report also states that higher skills are associated with higher productivity, higher wage levels and higher employment rates, each of which is included in the published economic goals of the Executive. It also highlights that the degree subject requirement will become more skewed towards physical sciences, mathematical and computer sciences, engineering and technology, law and creative art and design. Northern Ireland currently has an above average (within the UK) concentration of graduates in subjects such as medicine and dentistry, subjects

10. www.matrix-ni.org/downloads/matrix_vol1_report.pdf.

11. www.matrix-ni.org/downloads/matrix_vol1_report.pdf.

12. http://www.delni.gov.uk/es/del_future_skill_needs_final_report_june_09_v4_no_links.pdf

SECTION 2: HIGHER EDUCATION IN NORTHERN IRELAND TODAY: ACHIEVEMENTS AND CHALLENGES cont.

allied to medicine, veterinary science, agriculture and related subjects, architecture, business and administration, mass communication, history and philosophical studies. The Department's Skills Strategy, 'Success through Skills 2'¹³, aims to address this sectoral imbalance.

The Skills Strategy has also identified the need to improve management and leadership skills, stating that "as management skills have an important influence on how firms react to competition and new innovations, and on how physical investments and human capital are employed, their importance, at all levels, to the future development of the Northern Ireland economy cannot be overstated."

According to the Northern Ireland Skills Monitoring Survey¹⁴, in 2008 14% of employers considered that there was a skill gap in their workforce (which refers to existing employees), with technical/practical skills gaps cited by half of those employers.

Skills are the bedrock of an innovation-based knowledge economy, right through from the schools system, to further and higher education and for lifelong learning. Creating a highly developed skills base will be a key source of competitive advantage in the global economy¹⁵. Linking higher education priorities to the MATRIX priorities will need to be considered in this context.

2.4.6 Financial challenges

The financial position over the medium term will be a much more challenging one for the HEIs as a result of demographic changes (which will potentially lead to fewer full-time students) and other potential changes in the funding base of the sector. Consequently, the income base of the higher education sector will potentially become less secure, especially as a high proportion of higher education income comes from the Government.

2.5 CONCLUSION

Northern Ireland's HEIs have delivered substantial benefits to the Northern Ireland economy and its people. Opportunities to participate in, and benefit from, access to higher education have been significantly expanded over the last decade; the quality of teaching and the student experience has been not only maintained, but improved, and our HEIs have established a strong research base which is internationally recognised.

Much of this has been achieved, however, in a relatively benign fiscal environment which has seen substantial growth in public investment and fee income in the sector. That is about to change. The Comprehensive Spending Review (CSR) outcomes provides for an 8% reduction in real terms in the revenue available for Northern Ireland, and a 40% reduction in capital funding. The Executive has not yet agreed a budget which would set out how its resources are to be deployed across Departments. Given the scale of reductions for the Northern Ireland Block, it is likely that the budget for higher education

13. http://www.delni.gov.uk/success_through_skills_2_-_the_skills_strategy_for_northern_ireland-consultation_document.pdf

14. http://www.delni.gov.uk/nisms08_final_main_report.pdf

15. www.matrix-ni.org/downloads/matrix_vol1_report.pdf

SECTION 2: HIGHER EDUCATION IN NORTHERN IRELAND TODAY: ACHIEVEMENTS AND CHALLENGES cont.

will be reduced. The key question therefore, is how to sustain and improve on what has been achieved so far within a much more competitive and financially constrained environment in the future.

We set out in the next section a vision for the higher education sector over the next decade in the period up to 2020.

SECTION 3: A VISION FOR HIGHER EDUCATION: 2010–2020

3.1. INTRODUCTION

In this section a vision for higher education over the next decade is presented. It takes account of the Executive's goals for the Northern Ireland economy and its society and the challenges the sector will face beyond 2010. This vision guides the subsequent sections of the document and is reflected in the proposals detailed at the end of each section.

3.2 THE EXECUTIVE'S GOAL

The Executive is committed to building a prosperous, fair and inclusive society, supported by a vibrant and dynamic economy and a rich and sustainable environmental heritage.

It is recognised that the higher education sector has a key contribution to make to the achievement of these twin goals of social justice and economic prosperity by providing: a supply of highly qualified graduates across a range of disciplines with the skills and attributes sought by employers; fostering a spirit of enterprise and innovation to create growth in the private sector; generating wealth within the economy and; enriching the social and cultural landscape of Northern Ireland.

In making these contributions, the sector works at different levels:

- At the individual level; by helping people to maximise their potential through a commitment to excellent teaching, fair access and the creation of a supportive environment which encourages participation from all who can benefit and which provides individuals with the skills and attributes needed to make their way in an increasingly competitive world.
- At the community level; through outreach activities and the forging of links with local communities and the development of flexible pathways for progression through to qualification, building community confidence and aspiration.
- At the regional economy level; in meeting local labour market skills needs, transferring cutting edge knowledge from research into marketable products, acting as a catalyst for innovation driven growth and helping to attract investment and sustain growth.
- At the wider society level; contributing to the development of a more socially inclusive society through the sharing of knowledge, promoting the freedom of thought and expression, diversity and cultural development of a society with a commitment to life long learning.

It is, therefore, important that a vision for the future development of higher education in Northern Ireland must address all of these interests. They are not, however, mutually exclusive. Underpinning all four levels is the concept that education is life enhancing and contributes to the development of the people, economy and society

SECTION 3: A VISION FOR HIGHER EDUCATION: 2010–2020 cont.

of Northern Ireland. As highlighted in Lord Browne’s Review of Higher Education and Student Finance:

“Higher education matters. It helps to create the knowledge, skills and values that underpin a civilized society. Higher education institutions generate and diffuse ideas, safeguard knowledge, catalyse innovation, inspire creativity, enliven culture, stimulate regional economies and strengthen civil society. They bridge the past and the future; the local and the global.”

3.3 OUR VISION

Taking account of these factors, and the challenges the sector faces, a potential vision for higher education is set out below:

The Department’s vision for higher education is one of a sector which is vibrant, of international calibre, which pursues excellence in teaching and research and which plays a pivotal role in the development of a modern, sustainable knowledge-based economy which supports a confident inclusive society which recognises and values diversity.

In particular, a sector which is recognised for:

- its ability to equip individuals with the distinctive range and quality of skills and attributes needed for an ever increasingly competitive world;
- its fairness in maximising opportunities for all who can benefit;
- its rigor in teaching and research standards and its own governance;
- its flexibility in responding to the needs of its stakeholders, including business;
- its engagement with local communities contributing to their regeneration, diversity and sustainability;
- its willingness to forge effective strategic partnerships with existing and potential new investors and employers in exploiting intellectual property and knowledge to secure competitive advantage for Northern Ireland and its people; and
- its willingness to engage globally.

Northern Ireland must use its size to its advantage as an opportunity to embrace and implement new concepts in the higher education sector, in order to benefit not only individuals but society as a whole. The contribution of the higher education institutions, both individually and collectively, to life in Northern Ireland is set out in section 1.1 and the development of a Higher Education Strategy for Northern Ireland presents an opportunity to build and develop this distinctiveness over the coming years.

3.4 CONCLUSION

Achieving this vision will be challenging. Much has been achieved already, but much more can be done. The subsequent sections provide an assessment of where we are now and set out some pointers to the future strategic development of the sector as we look towards 2020.

SECTION 3: A VISION FOR HIGHER EDUCATION: 2010–2020 cont.

3.5 QUESTION

Question one:

- What are your views on the vision outlined above at paragraph 3.3 for the development of the higher education sector up to 2020?

SECTION 4: A LEARNING SOCIETY

4.1 INTRODUCTION

Education is life enhancing, contributing to the development of the people, economy and society of Northern Ireland. In this section we examine who is learning in higher education (and who is not), what is being taught and how. We also provide an assessment of the nature of change that is likely to be necessary to maximise the personal economic benefits that could accrue from higher education in Northern Ireland.

Higher education in Northern Ireland is diverse in its provision with a reputation for excellence in teaching, learning and research throughout the UK and beyond. For this success to continue, it is important that higher education is central to the development of a learning society in Northern Ireland, with lifelong learning a central tenet of the regional approach.

Northern Ireland must use its size to its advantage as an opportunity to embrace and implement new concepts and modes of learning, concepts that need to equip individuals with a distinctive range of high quality skills and attributes. Teaching and learning must be ‘future proofed’ to enable HEIs to keep up with technological advances, changing demographics and the demands of staff and students. Above all, it needs to be flexible, accessible and of the highest quality.

For this to succeed, higher education must not be viewed in isolation. Rather, it should be regarded as part of an educational continuum with primary, post-primary and lifelong education policies linked in coordination and approach, with all stakeholders understanding the contribution they can make to the success of higher education in Northern Ireland.

4.2 WHO IS LEARNING?

Learning in higher education is distinctive. Higher education is not simply about ‘getting a degree’; it is fundamentally a transformative experience. It must enhance students’ capacity to develop their knowledge and understanding of the subjects they study, to develop transferable skills and to apply the knowledge and skills gained in society and the workplace. The purpose of higher education is, therefore, not only to gain knowledge but also to ‘learn how to think’. It should enable learners to realise their full potential, enhance their personal life skills, realise their ambitions and be equipped to fulfil their social and economic potential. Furthermore, the transformative nature of learning in higher education provides the opportunity for individuals to develop their sense of citizenship within Northern Ireland and to contribute to society, culture and the economy. Consequently, Government has an obligation to ensure that all those who can benefit have the opportunity to access higher education.

Student numbers from those domiciled in Northern Ireland, have risen by 44% in the past fifteen years. In 2008/09, almost 74,000 people of Northern Ireland domicile participated in higher education¹⁶. Of these around:

16. Both within and outside Northern Ireland HEIs

SECTION 4: A LEARNING SOCIETY cont.

- 49,000 were full-time students;
- 24,000 were part-time;
- 39,000 attended Queen's University and the University of Ulster;
- 4,000 were enrolled in the Open University;
- 2,000 attended Stranmillis or St Mary's University Colleges;
- 10,000 participated in HE in FE; and
- 17,000 undertook a higher education course in GB, ROI and elsewhere.

Northern Ireland currently has the highest overall young person higher education participation rate in the UK, with an Age Participation Index (API) of 48.2% in 2008/09, a doubling since 1989/90¹⁷.

Students who enrol at Northern Ireland HEIs tend to be younger than their counterparts in the rest of the UK. There are 66% more under 25 year olds than over 25 year olds in Northern Ireland compared to 57% more in the UK. In addition, 60% of enrolments at Northern Ireland institutions are female, with 29,000 female students compared to 19,000 male. This is slightly higher than the UK average of 57%.

The number of part-time student enrolments has fallen over the last five years. In 2008/09, 28% of students were studying on a part-time basis compared to 33% in 1998/99. In comparison, 37% of students in England were attending higher education on a part-time basis in 2008/09.

There is also a higher proportion of students undertaking undergraduate first degrees (level 6) at Northern Ireland HEIs compared to the rest of the UK, with 67% of total enrolments compared to 56%. Conversely, there is a much lower proportion studying at the 'other undergraduate' level (levels 4-5) with only 11% of total enrolments compared to 18% at the UK level.

The number of students engaged in postgraduate qualifications has also increased by 17% from 8,820 in 1998/99 to 10,280 in 2008/09. However, by contrast, the numbers of postgraduate students in Wales, Scotland and England increased 43%, 33% and 33% respectively over the same period.

Northern Ireland continues to perform well against the rest of the UK in increasing access to higher education among students from lower socio-economic classification groups (SEC groups)¹⁸. In academic year 2008/09, 41.7% of young full-time first degree entrants were from SEC groups 4 to 7, well above the UK average of 32.3%¹⁹.

Although Northern Ireland is already performing well in regard to widening participation, there remain pockets of the population where participation in higher education is lower than it should be. Socio-economic groups 5-7 account for 45% of Northern Ireland's

17. http://www.delni.gov.uk/higher_education_age_participation_index_for_northern_ireland_1989-90_to_2008-09.pdf The NI API is higher than the Scotland API (43.0% in 2008/09), and also the more-wide ranging HEIPR used in England (45.5% in 2008/09).

18. It should be noted that these figures represent the number of NI domiciled students who have entered higher education within and outside the UK.

19. Data from Higher Education Statistics Agency (HESA) – Performance Indicators

SECTION 4: A LEARNING SOCIETY cont.

population²⁰; however, participation from socio-economic groups 5-7 in higher education accounts for around only 25.8% of the 18-21 year old population²¹.

In addition, despite the Department's and the sector's efforts to provide a high quality student learning experience, around 10.2% of full-time first degree students at Northern Ireland HEIs are no longer in higher education following their year of entry. This compares adversely with the rest of the UK where the average 'drop-out' rate is 8.6%²². In light of this, HEIs in Northern Ireland are making significant efforts to address the issue of student retention, but more needs to be done. These issues will be further addressed within the Department's Widening Participation in Higher Education Strategy which is currently being developed.

4.3 WHO WILL BE LEARNING IN THE FUTURE?

It is possible to distinguish between four different types of 'learner':

- the 'traditional' 18-21 year old student progressing from secondary school/further education into higher education;
- postgraduate learners;
- employers and employees accessing higher education from work; and
- lifelong learners who, whether for professional or personal reasons, want to update their skills and knowledge.

Demographic trends and the other challenges identified earlier, however, suggest that the student profile will change significantly over the coming decade. The 18-21 year old population is contracting, reducing the natural catchment population for higher education recruitment and the retired population is increasing the higher education market demand for learning for 'leisure and pleasure'.

The Northern Ireland workforce will require opportunities for upskilling. In addition, new funding arrangements may lead to changes in the student profile, how students access their higher education, over what timeframe and may require a more flexible approach to meet their needs. This suggests a greater emphasis on part-time participation in higher education, while economic analysis points towards a requirement for more postgraduate expertise.

4.4 WHAT WILL LEARNERS LEARN?

The provision of higher education courses in Northern Ireland is ultimately demand driven, with HEIs providing courses based on what learners want. However, if the Northern Ireland economy is to grow and remain economically competitive in a global economy STEM (science, technology, engineering and mathematics)²³ and economically relevant subjects have a key role to play.

20. 2001 Census

21. 2007/08 UCAS accepted applicants

22. 2008/09 HESA Performance Indicators - table 3a (http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=1695&Itemid=141)

23. STEM subjects include: Pharmacology, toxicology & pharmacy; Clinical veterinary medicine & dentistry; Agriculture; Zoology; Artificial intelligence and Maritime technology. A full list of STEM subjects can be found at Annex A, http://www.deni.gov.uk/report_of_the_stem_2009_review.pdf

SECTION 4: A LEARNING SOCIETY cont.

Northern Ireland already performs relatively well in the number of students studying STEM subjects when compared with the rest of the UK, with 48% of Northern Ireland enrolments in STEM related disciplines in comparison to the UK average of 40%. However, medicine, dentistry and subjects allied to medicine account for 43% of these enrolments in Northern Ireland, compared to 36% in the UK as a whole. As a result, other science, technology and engineering disciplines are lagging behind. In addition, the Department's Skills Strategy has identified a need for more graduates, not just in STEM subjects, but in other economically relevant subjects such as law and creative arts and design.

Language enrolments in Northern Ireland are also lower than the rest of the UK, with 4.1% of students studying a language related discipline in comparison to the national average of 5.5%. In contrast, 11.4% of Northern Ireland students study courses related to education in comparison to the UK average of 9.1%. A key issue for the future will, therefore, be to determine whether the current profile of the student offering best reflects the future needs of users, the wider economy and society. The Department welcomes the development of a Northern Ireland Language Strategy developed by the Queen's University and the University of Ulster's Subject Centre for Languages, Linguistics and Area Studies, led by the Department of Education.

In order to grow a dynamic, prosperous economy, Northern Ireland needs a highly skilled workforce with the right balance of skills at the right levels. As highlighted in *Forecasting Future Skills Needs in Northern Ireland*²⁴, there will be an increasing need for people with higher level skills. As almost 80% of the 2020 workforce have already completed their compulsory school education, the skills gap must be addressed in order to fulfil the needs of employers up to 2020 and beyond²⁵. The Northern Ireland higher education sector must, therefore, ensure flexibility of provision to cater for the changing needs of the learner and the economy.

In addition to subject based knowledge, it is expected that undergraduate learners will need to acquire a range of additional skills and attributes whilst completing their higher education qualification, such as: study skills, transferable skills, entrepreneurial skills, language skills, and 'soft skills' such as perseverance, the ability to take initiative, time management, team-working and critical thinking. However, it will become increasingly important to demonstrate that the knowledge, skills, behaviours and attitudes acquired prepare students for the global marketplace. It may be necessary to rethink the purpose of learning in higher education, developing a set of specific cognitive abilities that will be sought and cultivated by leaders in the years ahead. Pragmatically, this suggests an increasing demand for well-developed employability skills, as mentioned above, if we are to compete with the best in the world.

4.5 HOW WILL LEARNERS LEARN?

Over the next decade, the delivery of higher education is likely to be 'multi-modal', where elements of contact tuition are combined with elements of technology-based learning.

24. http://www.delni.gov.uk/es/del_future_skill_needs_final_report_june_09_v4_no_links.pdf

25. The current consultation on "Success through Skills 2", the Departmental Skills Strategy, sets out these challenges in more detail.

SECTION 4: A LEARNING SOCIETY cont.

Here, ICT plays an important role in the integration of contact and distance education, enabling HEIs to create flexible learning environments.

Already, the traditional distinction between contact and distance learning is starting to disappear as a range of teaching practices become integrated. Known as blended learning, conventional contact tuition, although still the dominant mode of education, is being supported by new information and communication technologies aimed at enhancing teaching and learning.

Technological advances in the next decade, some of which cannot yet be imagined, will continue to shape the higher education learning experience further. Such advances will provide many learners, particularly mature and adult learners, with freedom from the limits of time, place and pace of learning. Distance and online learning is likely to expand further in the future as students seek flexible lifelong learning opportunities. There is already evidence of this with the number of students enrolled in distance learning courses at Northern Ireland HEIs has almost tripled over the past decade, rising from 380 in 1999/00 to 1,105 in 2008/09.

Of the 62,265 Northern Ireland-domiciled students enrolled at UK HEIs in 2008/09, 7% were enrolled on courses through the Open University. The Open University, which has been at the forefront of distance learning since 1971, now offers all of its courses on an online basis. Online learning has also been embraced by Northern Ireland's other HEIs, including the University of Ulster through Campus One, and Queen's University's Queen's Online (QOL) Virtual Learning Environment.

The greater reach of open learning combined with an increasing demand for level 4-5 qualifications in the workforce and bespoke interventions to address skill gaps in our local industry, will necessitate increasingly flexible responses by the higher education sector if the needs of the economy are to be met.

Higher education courses have also been delivered through FECs in Northern Ireland since the 1980s. The six FECs now deliver the majority of intermediate level higher education provision, including Higher National Diplomas and Foundation Degrees²⁶.

Northern Ireland's FECs are geographically well placed to provide higher education opportunities for learners from disadvantaged groups and local businesses. Many offer flexible local facilities which make higher education accessible to people who might otherwise face barriers to participation, especially in relation to geographical 'cold-spots'.

Collaboration between the higher and further education sectors is likely to become more important as the sector responds to the needs of all learners able to benefit from higher education provision.

26. <http://www.qaa.ac.uk/academicinfrastructure/fheq/ewni/default.asp>

SECTION 4: A LEARNING SOCIETY cont.

4.6 POINTERS TO THE FUTURE: LOOKING TOWARDS 2020

The above analysis raises some fundamental challenges which will need to be addressed over the next decade. The following paragraphs outline how we propose to meet these challenges.

There is no doubt that more will need to be done to address issues surrounding participation levels. With a current level of 50% participation from full-time undergraduate learners, it could be argued that we are at our limit of participation. Ideas to encourage other types of learner also need to be devised, especially given the trend towards more flexible part-time study. With a funding model that focuses on full-time undergraduate students, more flexible approaches will be required if the needs of stakeholders are to be adequately met.

For Northern Ireland to have a competitive advantage internationally, more needs to be done to ensure that the quality of our graduates and the learning opportunities offered to them are recognised internationally. There is scope to develop the concept of “distinctive graduates”; graduates who possess additional skills that will place them at an advantage globally. This will not only require the rigorous application of teaching standards but also the establishment of an internationally recognised commitment to world-class research and development. These skills will need to be internationally recognised and institutionally verified to ensure our graduates can prove their skills and abilities.

A greater emphasis on postgraduate research and training is also required to build up Northern Ireland’s skills base, in order to ensure that it can keep pace with the demands of an ever evolving world. This will involve closer collaboration with industry and continuing Government commitment to research and development activities.

More flexible part-time pathways to qualifications need to be developed, with funding arrangements incentivising this change. Indeed, whilst still respecting individual choice and academic freedom, there is a need to ensure that higher education provision better reflects the emerging needs of individual students, industry and society. There is also a need to incentivise choices for STEM areas beyond the traditional higher education courses. This has been highlighted in the Department’s ‘Success through Skills 2’ Strategy and the cross-departmental STEM Review.

In addition, there needs to be a greater emphasis on foundation degrees and sub-degree qualifications which better meet the needs of local industry and brings Northern Ireland into line with the rest of the UK and Europe. This should open up new and wider pathways for those who might, ultimately, aspire to third level qualifications.

It is, therefore, important to build on the success to date of widening participation to ensure access for all those who can benefit from higher education, addressing inequalities of gender and socio-economic grouping at a time of constrained resource availability. Geographical ‘cold-spots’ can be greatly aided by the provision of HE in FE, as FECs are geographically well placed throughout Northern Ireland to ensure access to higher education for all who are able to benefit.

SECTION 4: A LEARNING SOCIETY cont.

As highlighted in the Department's 'FE Means Business' Strategy, 'further education should be at the heart of lifelong learning in order to strengthen economic development, enhance social cohesion, and advance the individual's skills and learning.' Higher education provision within the further education sector is of vital economic significance, since it provides higher level technician and associate professional skills and, in addition, through offering alternative progression routes, it plays an essential role in widening social access to higher education. The strategy, therefore, will confirm strong support for partnership between HEIs and the college system.

Greater flexibility of provision can ensure that higher education is more responsive to the future needs of the Northern Ireland economy and wider society.

4.7 PROPOSALS FOR CONSIDERATION

Based on the analysis and evidence in this section, we propose the following for consideration within a Higher Education Strategy for Northern Ireland:

- Teaching and learning needs to be flexible, accessible and of the highest quality. More flexible pathways to qualifications need to be developed, with funding arrangements incentivising this change.
- The sector should seek to develop "Distinctive Northern Ireland Graduates"; graduates who possess additional skills that will place them at an advantage globally.
- A greater emphasis on part-time participation in higher education and on postgraduate research and training is required involving closer collaboration with industry and continuing Government commitment to research and development activities.
- The roles of the FECs in the provision and delivery of higher education should be further developed and fostered in partnership with the universities and university colleges.
- There is a need to incentivise choices for STEM areas beyond the traditional higher education courses.
- There is a need for a greater emphasis on sub-degree qualifications which better meet the needs of local industry and brings Northern Ireland into line with the rest of the UK and Europe.
- It is imperative that we build on the success to date of widening participation to ensure access for all those who can benefit from higher education, addressing inequalities of gender and socio-economic grouping at a time of constrained resource availability.

SECTION 4: A LEARNING SOCIETY cont.

4.8 QUESTIONS

With these proposals in mind, we would welcome your response to the following questions:

Question two:

- How should higher education in Northern Ireland be delivered to best support the needs of current and future learners, including those in the workforce?

Question three:

- How can learning at higher education institutions in Northern Ireland be made distinctive from the rest of the UK, the Republic of Ireland and Europe, leading to graduates with greater employability potential?

SECTION 5: HIGHER EDUCATION AND THE ECONOMY

5.1 INTRODUCTION

Growing a dynamic and innovative economy is the central theme of the *Programme for Government 2008-11* and the first priority of the Executive. A strong higher education sector is essential to achieving this aim, not least in the promotion of 'higher value-added activity through innovation and the commercial exploitation of R&D'²⁷, an approach which has also been strongly endorsed by the work of MATRIX – the Northern Ireland Science Industry Panel²⁸.

In this section we set out how the higher education sector contributes to that goal and consider how that contribution might be maximised in future.

5.2 HIGHER EDUCATION'S CONTRIBUTION TO THE ECONOMY

The higher education sector in Northern Ireland makes a positive contribution to the local economy in a variety of ways. It is a significant sector in its own right, attracting substantial investment and providing quality employment opportunities for staff across a full range of occupations and skill levels. It acts as a hub for research and innovation, actively engaging in knowledge transfer activities and in promoting entrepreneurship within the local economy.

Northern Ireland's HEIs are a major source of export earnings through the attraction of international students and internationally funded research and consultancy. They also act as a catalyst for new foreign direct investment and, through their global connections, open up new gateways to future strategic development partnerships.

The sector supplies high quality graduates who increase the Northern Ireland skills base, meeting the needs of local industry, shaping the leaders of tomorrow and contributing to the economic and social infrastructure of Northern Ireland through their wider participation in community and economic initiatives.

Northern Ireland's HEIs also have an economic value in the broadest sense, which encompasses social, cultural and environmental value, as well as a direct financial return or a commercial application. The HEIs act as civic players and provide a space, both physically and metaphorically, for discussion and debate about key issues.

Northern Ireland's HEIs also enable and encourage knowledge exchange between other institutions, business, the public sector voluntary and charitable organisations. Recent research²⁹ has shown that Northern Ireland academics are extensively engaged with the community, business, public sector and third sector. This engagement extends across all disciplines, including arts and humanities and social sciences as well as engineering and science. All of this activity is part of the HEIs' contribution to building a dynamic, innovative and confident Northern Ireland economy.

27. <http://www.pfgbudgetni.gov.uk/finalpfg.pdf> page 28

28. www.matrix-ni.org/downloads/matrix_vol1_report.pdf

29. Work emerging from the Impact of HEIs on regional economies initiative (Kitson et al - www.impact-hei.ac.uk)

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

5.2.1 A significant sector in its own right

In 2008/09, the published accounts for the universities and university colleges in Northern Ireland showed a combined income of more than £500 million. Government investment from the Department accounted for 38% and 46% of the total income of Queen's University Belfast (QUB) and the University of Ulster (Ulster) respectively. For the university colleges, the equivalent figures were 63% for Stranmillis and 64% for St Mary's. Our HEIs, therefore, attract significant additional discretionary investment to the local economy beyond that directly provided through the Northern Ireland block grant.

In addition, in 2007/08, Northern Ireland's universities and university colleges attracted over 5,000 students from outside the UK, who spent an estimated additional £34 million off-campus. Along with the HEIs' international revenue of £32 million, this represents an estimated total of £66 million in export earnings³⁰.

Northern Ireland's four HEIs also generated an additional £610 million in other industries throughout the UK, with the majority share (£397 million) accruing in Northern Ireland industries as a result of 'knock-on' effects. This gave a UK-wide output multiplier of 2.31 (with a regional output multiplier of 1.85). In other words, for every £1 million of HEI output, a further £1.31 million was generated in other UK industries, of which £0.85 million is in industries located in Northern Ireland.

Northern Ireland universities and university colleges are major employer in their own right, with approximately 6,856 full-time equivalent (FTE) staff. The majority are academic staff, but there is also a significant number of staff working across a wide range of essential functions, including administration, estate management, catering and library services.

In addition to providing jobs directly, Northern Ireland's institutional expenditure generates additional jobs in other parts of the economy. A further 6,788 full-time equivalent jobs were generated outside the universities and university colleges in 2007/08. The majority of these were in Northern Ireland, with an overall UK employment multiplier of 1.99 (1.76 within Northern Ireland). In other words, for every 100 jobs created within these institutions, a further 99 jobs were generated in other industries in the UK, of which 76 were in industries located in Northern Ireland.

5.2.2 A hub for research and development

As the major drivers of research in Northern Ireland, our universities make an important contribution to research and development, creativity and innovation in the Northern Ireland economy, as evidenced clearly in the Government's response to the MATRIX Report, published in November 2009³¹. As such, they partially compensate for the recognised low levels of such activity in the local private sector. However, Northern Ireland's HEIs recognise the importance of increasing this provision as shown through their work with the business and higher education sectors work on MATRIX, the Northern Ireland Science Industry Panel, which has produced a series of reports on how Northern

30. Making an Impact, Higher Education and the Economy: Kelly, McNicoll and McLellan, pg 7

31. www.matrix-ni.org/downloads/matrix_vol1_report.pdf

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

Ireland can maximise the commercial potential of its R&D, science and technology base.

The strength of Northern Ireland's university research base is reflected in the Research Assessment Exercise (RAE), a UK-wide peer review-based benchmarking exercise undertaken by the four UK Higher Education funding bodies in which the quality and volume of research activity in the HEIs they fund is periodically assessed. The results of the 2008 RAE show that the proportion of research in Northern Ireland graded at the highest level has increased significantly since the last RAE in 2001.

In the league tables produced by the Times Higher Education Supplement, Queen's University ranked 39th and the University of Ulster 45th (out of 159 higher education institutions) in the 2008 RAE, representing a rise from 45th and 63rd respectively compared to 2001.

Of the assessed research, 50% in Northern Ireland was classified as either 'internationally excellent' or 'world leading' and more than 98% of the researchers submitted for assessment are working in disciplines where world leading research is taking place.

The contribution of Queen's University and the University of Ulster will, therefore, continue to be central to Northern Ireland's economic development. Their R&D and wider international knowledge networks are indispensable to the further development of the Industry-led Innovation Communities proposition as outlined in the MATRIX report. Northern Ireland's universities are already providing invaluable world class knowledge, skills and research strengths to the start up stage of the programme. Without this supply of inspirational leading edge research and high quality technical advice from the research base, the Communities would not flourish.

The Department is committed to maintaining a broad research base in Northern Ireland's HEIs through recurrent research funding provided to the universities, such as: Quality related Research (QR) Funding and the Support Programme for University Research (SPUR); cross-border R&D collaborations including Strengthening the all-Island Research Base and the US-Ireland R&D Partnership; and funding each year to Queen's University and the University of Ulster for 495 postgraduate students. In addition, the Department has provided increased resources in the Programme for Government 2008-11 to "increase by 300 the number of PhD research students at local universities by 2010," taking the total number of research students supported by the Department to 795 in the academic year 2010/11³². The importance of the higher education research base to the Northern Ireland economy cannot, therefore, be over-emphasised, particularly in an economy dominated by small and medium sized enterprises. R&D has been identified as an important contributor to economic development in Northern Ireland and the UK as a whole³³. It is important, therefore, that research continues to be funded at an appropriate level to enable our universities to fulfil this central role and to develop and sustain a world class research base in Northern Ireland.

32. These additional 300 PhD research places are being part funded by the "Funding for Innovation" initiative (which ends in March 2011) and are focused on areas of economic relevance as agreed with DETI.

33. Independent Review of Economic Policy (Barnett, September 2009)

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

5.2.3 Knowledge transfer and the promotion of entrepreneurship

The acquisition of knowledge through research is important for Northern Ireland's continual development. However, it is through the transfer of knowledge to the local economy that its contribution to wider society is maximised. As well as the knowledge transfer that takes place through graduates entering the workforce, there is a growing body of evidence showing that considerable benefit is generated by engagement between universities and businesses. For example, a company is four times more likely to innovate if it is in a collaborative relationship with a university³⁴. The Department remains committed to the core funding of the HEIs' knowledge transfer activities, alongside teaching and research. This core support is supplemented by "Connected", a programme which enables HEIs and FECs to identify and meet the knowledge transfer needs of businesses and the wider community.

The outcomes from this ongoing investment, through the Higher Education Innovation Fund (HEIF) in particular, are reflected in the latest UK-wide Higher Education-Business & Community Interaction (HE-BCI) survey. The survey reveals that Queen's University and the University of Ulster generated investment from companies, public and third sector organisations of approximately £51 million³⁵ during 2008/09 for key knowledge transfer services such as consultancy and contract research. This performance is a key indicator under PSA 1 of the *Programme for Government 2008-11*.

There are also many examples of where, through collaborations with local industry and the establishment of 'spin-off' companies, knowledge transfer has led to the development of leading edge products in the market place. Northern Ireland's universities are also engaged in promoting entrepreneurship in the local economy, as demonstrated by the activities of the Northern Ireland Centre for Entrepreneurship (NICENT), which is led by the University of Ulster in partnership with Queen's University. The primary aim of the Centre is to drive, promote and support entrepreneurship in higher education in Northern Ireland. The commitment to entrepreneurial excellence of the Northern Ireland higher education sector is further reflected by the success of Queen's University in the prestigious "Entrepreneurial University of the Year" category in the 2009 Times Higher Education Awards which recognised and celebrated the University's outstanding commitment of that institution to entrepreneurial activity.

Knowledge exchange to support public policy and to help the third sector develop is also of critical importance. Recent research by the University of Cambridge³⁶ has demonstrated that Northern Ireland academics are extensively engaged in knowledge exchange activity with businesses, the public sector and with the third sector. This engagement is undertaken across all academic disciplines, including for example; engineers, scientists, linguists, historians, geographers and economists.

34. See, for example, Do University-business collaborations make firms more innovative? Howells et al http://www.impact-hei.ac.uk/Portals/8/ImpactReport_no3.pdf

35. Contract Research £20,039; Consultancy Contracts £4,107; Facilities and Equipment £7,564; Regeneration Income £15,449; and IP Income £4,039.

36. <http://www.cbr.cam.ac.uk/pdf/AcademicSurveyReport.pdf> for the UK wide report. The specific Northern Ireland findings will be presented at a future seminar to be held in NI in February 2011 as part of the Impact of HEIs research initiative.

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

5.3 CHALLENGES FACING THE NORTHERN IRELAND ECONOMY

However, Northern Ireland faces a series of economic challenges in the short and medium term.

5.3.1 Financial challenges

The recent economic downturn has significantly affected Northern Ireland. Public finances are under pressure, unemployment has risen and the economy has contracted. Given the structure of Northern Ireland's economy and its significant reliance on the public sector, lower levels of public spending are likely to have a negative impact locally unless other sources of investment are sufficient to offset reductions in public spending from the Comprehensive Spending Review and the proposals of the Browne Review.

5.3.2 International challenges

We are living in a fast-changing world. Rapidly advancing technological innovations, cheaper and more accessible air travel and increasing numbers of highly skilled workers from emerging countries have enabled people and goods to be moved rapidly and efficiently over great distances. More importantly, information can be transferred in large volumes and at low cost via the Internet. This enables many functions to be outsourced to anywhere in the world. The continuing rise of the BRIC economies (Brazil, Russia, India and China) is also driving increased global competition for jobs, graduates, students and capital.

Northern Ireland is not insulated from these pressures. It cannot compete in the global market as a low-wage economy. To maintain and improve its competitive position, Northern Ireland must play to its strengths. In that regard, the core strengths of the Northern Ireland economy, as highlighted in the Independent Review on Economic Policy, need to be utilised to ensure increased inward investment³⁷. Strengths include: “a fresh talent pool in one of the youngest populations in the EU; a highly educated, English speaking workforce; an excellent infrastructure with advanced telecoms and transport networks; a competitive cost environment; and; generous incentives and ongoing support from Invest NI.”. Notwithstanding these strengths, the quality of Northern Ireland's skills base and willingness to respond to investors and potential investors needs will be critical to Northern Ireland's success.

5.3.3 Skills challenges

In order to grow a dynamic, prosperous economy Northern Ireland needs a highly skilled workforce with the right balance of skills at the right levels. As highlighted in *Forecasting Future Skills Needs in Northern Ireland*³⁸, there will be an increasing need for people with higher level skills. As almost 80% of the 2020 workforce have already completed their compulsory school education, the skills gap must be addressed in order to fulfil the needs of employers up to 2020 and beyond³⁹.

37. <http://www.irep.org.uk/Docs/report.pdf>

38. http://www.delni.gov.uk/es/del_future_skill_needs_final_report_june_09_v4_no_links.pdf

39. The current consultation on “Success through Skills 2”, the Departmental Skills Strategy sets out these challenges in more detail.

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

Northern Ireland must continue to understand the demand for skills and improve the quality and relevance of education and training. There is a need to increase employer engagement with higher education and improving productivity by increasing the skill levels of the workforce. The Northern Ireland higher education sector has a key role to play in addressing these challenges.

5.3.4 Economically relevant subjects

It is clearly important that the higher education sector continues to offer as wide a range of subjects as possible to meet the needs and aspirations of students. However, it is also important that it meets the needs of local employers. Evidence shows that almost 50% of higher education provision in Northern Ireland is in STEM (science, technology, engineering and mathematics) subjects⁴⁰. However, as highlighted in the previous section, 43% of STEM enrolments are in medicine, dentistry and subjects allied to medicine.

The Department's Skills Strategy has also identified a need for more graduates, not just in STEM subjects, but in other economically relevant subjects such as law, the creative arts and design. Achieving the right balance between these and other subject areas, whilst respecting academic freedom, will be a key challenge for the sector. On a long-term basis, efforts to increase student numbers in STEM and economically relevant disciplines must begin at an early age if our young people are to be inspired to make career shaping decisions in STEM areas. This will require cross-departmental co-operation to promote interest in, and the study of, priority subjects from an early age.

5.3.5 Meeting the needs of SMEs

Northern Ireland's economy is dominated by small and medium-sized enterprises (SMEs), which constitute 98.2% of all businesses here. It is important that SMEs articulate their knowledge and skills requirements and explore R&D opportunities in partnership with the higher education sector. However, anecdotal evidence suggests that SMEs are less likely than large companies to do this.

At present, mechanisms exist that could be used to facilitate SME collaboration with the higher education sector, such as business organisations⁴¹ and professional bodies⁴². In addition, SMEs have the potential to cluster, at either geographical or sectoral level. This work has already commenced through the Collaborative Networks Programme and the Competence Centre Programme in Invest NI. Industry-led Innovation Communities, which are the ultimate objective of the MATRIX vision for Northern Ireland businesses, offer a potentially excellent mechanism in which to bring together business, Government and academia to pursue market opportunities. A key issue for the future will be to maximise the potential of such collaborations.

40. Learning Expert Group Paper, footnote 23: "The performance of Northern Ireland universities in terms of STEM provision (in soon to be published statistics) will show that of the 48,240 students enrolled at Northern Ireland higher education institutions in 2008/09 - 23,000 (48%) were enrolled on STEM related courses. The equivalent percentages for England, Scotland and Wales are - 40%, 47% and 38% respectively." STEM subjects relate to Medicine & Dentistry; Subjects Allied to Medicine; Biological Sciences; Agriculture & Related subjects; Physical Sciences; Mathematical sciences; Computing Science; Engineering & Technology; and Architecture, Building & Planning.

41. For example, the Federation of Small Businesses, Institute of Directors, NI Chamber of Commerce, Confederation of British Industry

42. For example, Institute for Personnel and Development, Institute of Chartered Accountants

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

5.3.6 Graduate employment

Graduates have not escaped the effects of the economic downturn. Despite leaving Northern Ireland HEIs with good qualifications, many face a lack of appropriate jobs. As businesses experience difficulties, there is evidence to suggest that they scale back on graduate recruitment. The public sector is also contracting, further limiting employment opportunities for graduates. With 39,000 public sector jobs taken by graduates every year in the UK, the impact could be significant. The Higher Education Careers Service Unit estimates that, if even one-fifth of those jobs were to disappear, UK graduate unemployment may reach 25%⁴³.

In addition, the Higher Education Policy Institute has stated that unemployment among UK graduates aged under 24 rose by 25% from 11.1% in December 2008 to 14% in December 2009. This trend is mirrored in Northern Ireland. With the continuing economic uncertainty, graduates will be forced to look elsewhere for employment or apply for non-graduate roles. This will, in turn, have significant implications for Northern Ireland's economy.

5.4 POINTERS TO THE FUTURE: LOOKING TOWARDS 2020

Our HEIs clearly make a significant contribution to the local economy in a range of ways, attracting substantial external investment which would otherwise go elsewhere. However, our assessment is that their potential is not yet being fully realised.

Northern Ireland has particular strengths on which to build as it seeks to improve its competitive position in the global economy in terms of its location, its young population, its excellent education system and its track record in innovation in some sectors. Its scale, too, is an advantage in supporting necessary collaborative networks between Government, business and academia.

As we look to the future and seek to capture growth opportunities as the global economy emerges from recession, we must be mindful that, no matter how generous financial and other incentives are, investors will not be persuaded to invest in the 'wrong place'. In working with others to ensure that Northern Ireland is perceived as the 'right place' for future investment we believe that our HEIs could contribute in the following ways:

- ensuring that future graduates emerge with a profile of skills and attributes which are internationally recognised as relevant to the future needs of industry;
- promoting, in a more systematic way, entrepreneurship in both the curriculum, in teaching and in the development of relationships and partnerships with local industry;
- working more closely with local industry particularly SMEs and potential investors to ensure that skills gaps are identified and addressed, and putting in place flexible client-focused approaches to do so;

43. <http://hecsu.blogspot.com/2010/07/public-funding-cuts-could-leave.html>

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

- assisting in the growth of indigenous companies beyond SME status and attracting large companies to Northern Ireland; and
- working with industry to establish clusters and hubs of leading edge research and innovation of global significance and impact.

The sector cannot do this on its own. Government, in its spending priorities and subject to affordability considerations, should recognise the intrinsic short and long term value of maintaining and enhancing its investment in the Northern Ireland R&D infrastructure and associated knowledge transfer activities. More importantly, business and industry must provide a lead in identifying future needs and in helping to create an environment in which our HEIs have a meaningful role to play in moving Northern Ireland towards the Executive's goal of becoming a dynamic, innovative, knowledge-based economy.

5.5 PROPOSALS FOR CONSIDERATION

Based on the analysis and evidence in this section, we propose the following for consideration within a Higher Education Strategy for Northern Ireland:

- Research should continue to be funded at an appropriate level to enable our universities to fulfil their central role to develop and sustain a world-class research base in Northern Ireland.
- Increased employer engagement with higher education and the continual development of knowledge exchange activity with businesses, the public sector and with the third sector is required.
- Entrepreneurship should be promoted in the local economy through the higher education sector, including the development of graduates with the right set of skills necessary to compete in a global economy.
- Closer collaboration with local industry, particularly SMEs and potential investors to ensure that skills gaps are identified and addressed, putting in place flexible client-focused approaches to do so.
- Northern Ireland must play to its strengths, ensuring the development of a high quality skills base and a willingness to respond to investors.
- Cross-departmental co-operation should promote interest in, and the study of, priority subjects from an early age, achieving the right balance between these and other subject areas, whilst respecting academic freedom.

5.6 QUESTIONS

With these proposals in mind, we would welcome your response to the following questions:

Question four:

- How can the higher education sector maximise its contribution to Northern Ireland's economy, particularly in relation to research and development?

SECTION 5: HIGHER EDUCATION AND THE ECONOMY cont.

Question five:

- How can higher education, government and business work more effectively to identify research and development needs and improve the knowledge and skills of the current, and future, workforce?

SECTION 6: INTERNATIONALLY CONNECTED

6.1 INTRODUCTION

The last 25 years have witnessed the accelerating globalisation of education and the increasing international mobility of students and academics alike. This rising global academic mobility reflects the general expansion and growth in importance of the global knowledge economy.

Internationalisation broadens the mind, stimulates creativity and builds confidence. Through travel and overseas life experience, horizons are widened and ambitions enhanced. This is true in all walks of life, especially in higher education. Senior academics and business leaders acknowledge the benefits to be gained from international experience and the added benefits it brings to graduates.

In this section we assess the extent to which the benefits of internationalisation accrue to Northern Ireland.

6.2 BENEFITS OF INTERNATIONALISATION

It is not difficult to identify the tangible benefits of having a strong higher education sector with an international reputation and globally competitive standing. High quality students, researchers and staff can be attracted from around the world. Trade links can be enhanced and foreign direct investment decisions positively influenced. Additional income can be earned from student fees and from research collaborations with universities, institutes and companies abroad. However, income should not be the only, or indeed the dominant, motivation for internationalisation. Of greater significance and value is attracting international researchers, scholars and students who will share their knowledge and skills widely, benefiting all sectors in Northern Ireland.

There are, of course, less tangible but equally important benefits of internationalisation in higher education. International study and work placements provide opportunities for intercultural learning which, in turn, enables people to live and work harmoniously in a world of cultural differences.

Incoming international students and staff enrich the diversity of life on our campuses and enable intercultural learning. Participation by our students and staff in programmes of teaching, learning and research abroad enhances their experience, capability and career prospects. Structured institutional partnerships with overseas institutions can also open doors to commercial opportunities.

6.3 INTERNATIONALISATION WITHIN NORTHERN IRELAND'S HIGHER EDUCATION SECTOR

Over recent years, the prominence of international activity has significantly increased in Northern Ireland's HEIs. Internationalisation is now regarded as an institutional priority within Northern Ireland HEIs to ensure continual growth and development opportunities. The analysis below assesses the scale and profile of Northern Ireland's international

SECTION 6: INTERNATIONALLY CONNECTED cont.

higher education activity to establish whether it is securing an appropriate market share and corresponding educational, social and economic benefits. It considers student mobility, international research and the overall contribution international activity makes to the economy.

6.3.1 Incoming student mobility

The UK has become part of a large international flow of students and academics. A significant proportion of the UK's research base is undertaken by international students. In 2007/08, 44% of those enrolled in research degrees in the UK were international students and there is an increasing number of UK students studying in other countries ⁴⁴.

The sheer volume of international students and staff now studying and working in the UK has shifted the axis of the higher education system; from a predominantly domestic focus to a truly international outlook.

The UK is performing well within the international student arena. There are currently over 3 million higher education students enrolled outside their home country; of these, 12% come to the UK to study ⁴⁵. In context, this places the UK joint second in terms of international student market share, on a par with Australia and behind the world market leader at 20%, the USA. In 2008/09, 370,000 students from 237 countries throughout the globe chose to study in the UK, constituting 15.4% of total enrolments within the higher education sector.

However, when compared with the rest of the UK, Northern Ireland is lagging significantly behind in terms of market share. Overseas enrolments account for 4.1% of total enrolments in Northern Ireland (excluding students from the ROI). This is significantly lower than England (14.8%), Scotland (16.1%) and Wales (15.7%). The ROI (Universities and Institutes of Technology) is also out performing Northern Ireland with overseas enrolments accounting for just over 8% of full-time total enrolments. ⁴⁶

There are not insignificant numbers of ROI students enrolled at both Queen's University and the University of Ulster (4.1% and 9.7% respectively, or 6.9% overall) ⁴⁷. Leaving aside any issues of 'international' status, clearly these students are a special case in the context of our geographical and jurisdictional arrangements. However, their welcome presence does not compensate for the relatively low level of overseas enrolments in Northern Ireland.

Northern Ireland is also underperforming in regard to attracting students from the rest of the UK. In 2008/09, 74% of Northern Ireland domiciled students ⁴⁸ studying at UK HEIs studied at HEIs in Northern Ireland (including those enrolled at the OU) with the remaining 26% studying elsewhere within the UK. By contrast, only 1,305 students from

44. http://www.bl.uk/aboutus/acrossuk/highered/helibs/postgraduate_education.pdf - Postgraduate Education in the United Kingdom, Higher Education Policy Institute and The British Library, Ginevra House, January 2010

45. BIS, 'Motivations and Experiences of UK students studying abroad' 2010

46. Higher Education Authority 'Student Statistics' 2010

47. Learning Expert Group Report, pg 10

48. Both undergraduates and postgraduates

SECTION 6: INTERNATIONALLY CONNECTED cont.

Great Britain chose to study in Northern Ireland in 2008-09, making up less than 3% of the student population at Northern Ireland's HEIs.

6.3.2 Outward student mobility

The benefits of an international higher education experience are widely recognised. In December 2007, the European Commission Lisbon Report called for such experience to become a standard part of higher education. The European Council concluded in November 2008 that 'every young person should have the opportunity to take part in some form of mobility whether this is during their studies or training, in the form of work placement, or in the context of voluntary activities.' The Leuven Communiqué agreed on 29 April 2009 that, in 2020, at least 20% of those graduating in the European Higher Education Area (EHEA) should have a study or training period abroad.

In 2008/09, 280 Northern Ireland students studied abroad, 1.4% of the overall UK figure⁴⁹. In addition, 659 students travelled abroad for work and study placements in 2008/09 through schemes such as IAESTE and BEI⁵⁰. Even though there are mechanisms in place to ensure ease of mobility, such as the European Credit Transfer System (ECTS), additional funding for student mobility, mobility programmes and established relations between 'home' and 'host' institutions, it would seem that there is significant resistance towards travelling abroad amongst our higher education students.

6.3.3 Research and partnerships

The global standing of an institution is becoming increasingly linked to the quality of its research provision and the recognition of that research. International research and development activities by our institutions are of key economic benefit to foreign trade, investment and promotion, supporting the Northern Ireland Economic Development Strategy and underpinning the work of Invest NI.

Queen's University has major ongoing research contracts with, for example, Petronas (the national oil company of Malaysia), the Gates Foundation and a wide range of multinationals, including Elanco and Hewlett Packard. Ulster has strong links in Migration Studies with Australia, New Zealand, Canada and the USA, and in Health Sciences with Pakistan, Korea, Australia and the Middle East. Stranmillis and St. Mary's University Colleges are involved together with the Universities in capacity building projects in Africa.

An indirect measure of the comparative scale of Northern Ireland's higher education international research links can be derived from postgraduate research enrolments. In 2008/09, the percentage of 'overseas'⁵¹ postgraduate research enrolments at Northern Ireland HEIs was 27.4%, a rather low figure in comparison to the UK average (41.7%)⁵².

There is, therefore, scope for increasing this number in Northern Ireland, particularly when compared with equivalent enrolments elsewhere in the UK⁵³. In particular,

49. BIS, 'Motivations and Experiences of UK students studying abroad' 2010

50. The International Association for the Exchange of Students for Technical Experience (IAESTE) and the Business Education Initiative (BEI)

51. 'Overseas' students comprise 'other EU' (i.e. not including ROI) and 'non-EU'

52. International Expert Group report, Research Links section

53. International Expert Group report, Appendix 2, section 1.1 and Appendix 1D

SECTION 6: INTERNATIONALLY CONNECTED cont.

Scotland has placed heavy emphasis on building a strong international research capability within higher education and these figures indicate success in that regard.

The majority of UK universities now implement a structured strategy for the development of, and ongoing participation in, overseas institutional partnerships. This usually includes the requirement for a strong research focus and good opportunities for student and staff exchange.

Queen's is strengthening and refining its links, particularly in China, India, Malaysia and the USA. Similarly, Ulster has extensive institutional links with Saudi Arabia, the USA and China. Stranmillis and St. Mary's have benefited greatly from their well-established links under the Erasmus programme and have also developed additional worldwide linkages in the USA and Africa.

There is no doubt that Northern Ireland has a growing portfolio of healthy and well managed overseas institutional partnerships, with capacity to expand. These international networks provide the infrastructure for course development, research collaboration, student exchange and staff development. Ultimately, the visibility and recognition of our universities will help to market Northern Ireland to prospective students, scholars, researchers and investors, thus benefiting Northern Ireland as a whole.

6.3.4 Economic benefits

With regard to institutional income generated by overseas students, the level of fees earned from international enrolments is modest. A total revenue of £11.7 million was achieved in 2008/09 (£7.5 million at Queen's and £4.2 million at Ulster), less than 1% of the UK total of £1.9 billion raised from 'non EU' students.⁵⁴ In comparison, it is estimated that Scotland earned £127.9 million and Wales earned £51.4 million⁵⁵.

The global demand for tertiary education is continuing to increase. It is estimated that 5.8 million places will be sought within the UK higher education sector by 2020, with over 1 million international students seeking higher education in the UK by 2025⁵⁶.

Transnational education (TNE) is also attracting increasing attention. It is forecast that the global demand for transnational education will increase even faster than that for overseas study. Transnational education (TNE) refers to education provision from one country offered in another. TNE includes a wide variety of delivery modes, including: distance and e-learning; validation and franchising arrangements; twinning; and other collaborative provision.

The latest UK TNE figures from the Higher Education Statistics Agency show that for 2008/09, there were 388,000 students following UK higher education programmes from outside the UK. Thus, there is a significant opportunity for generating additional income

54. BIS 'Higher Ambitions' 2009

55. British Council 'Choose NI' Report 2008

56. DEL's Strategic Approach to International Activity 2006

SECTION 6: INTERNATIONALLY CONNECTED cont.

from the international higher education market which is not yet fully exploited by our local institutions.

Of the greatest economic significance to Northern Ireland, however, is the value that the internationalisation of higher education contributes to trade promotion and the pursuit of foreign direct investment (FDI). This is fully acknowledged by the Department of Enterprise, Trade and Investment (DETI) and Invest NI through their technology and trade missions overseas with local institutions and academics. The brand recognition they have developed and the networks they have created add value and credibility to the international standing of Northern Ireland.

6.4 POINTERS TO THE FUTURE: LOOKING TOWARDS 2020

Although significant steps have been taken by our institutions in building their international reputation and developing international partnerships, there remains considerable opportunity for expansion. Northern Ireland is not garnering its full potential market share of the UK's international activity, with consequent opportunities for economic growth being lost. There is definite scope for more students, scholars, researchers and investors to be attracted to Northern Ireland and for our 'home' students to become more internationally mobile.

Now is the time to build on the good work to date to enhance our sector's international competitiveness and to gain a greater share of the international student market. There is no doubt scope to develop measures to ensure Northern Ireland is securing an adequate proportion of international student enrolments, both undergraduate and postgraduate. Good structures already exist for outward student mobility. However, there may be opportunities to develop similar and also more flexible arrangements for other countries. It is also imperative that Northern Ireland students should be encouraged, incentivised and supported to use every opportunity open to them.

Northern Ireland's HEIs have a growing portfolio of healthy and well managed overseas institutional partnerships, with capacity to expand. There is scope to develop stronger international links through already established connections and increased international activity, both inward and outward. Healthy and substantial international research links are important for industry, for overseas trade and inward investment.

For these issues to be successfully addressed, a concerted joined-up approach across Government, the higher education sector and industry is required. Challenging targets need to be set for our local institutions, with incentives for growth and development, underpinned by local employers' contribution and support. There may be scope to develop a collaborative approach within an international strategy for Northern Ireland. There is no reason why Northern Ireland's HEIs cannot perform on a par with the rest of the UK, especially by 2020.

SECTION 6: INTERNATIONALLY CONNECTED cont.

6.5 PROPOSALS FOR CONSIDERATION

Based on the analysis and evidence in this section, we propose the following for consideration within a Higher Education Strategy for Northern Ireland:

- Expansion of Northern Ireland's market share within the UK in respect of international activity and overseas student enrolments through the development of a unique Northern Ireland higher education selling point.
- Encouraging, incentivising and supporting Northern Ireland students to avail of the opportunities for international mobility.
- Institutions should seek to further develop their portfolio of well managed overseas institutional partnerships that benefit not only their students and institutions but Northern Ireland as a whole.
- Healthy and substantial international research links should continue to be fostered, for overseas trade and inward investment. In particular, HEIs should continue to work with SMEs to ensure they are well placed to reap the benefits of internationalisation.

6.6. QUESTIONS

With these proposals in mind, we would welcome your views on the following questions:

Question six:

- As higher education becomes increasingly globalised, how can Northern Ireland's institutions further expand their international portfolios, to assist not only the higher education sector, but Northern Ireland as a whole?

Question seven

- How can Northern Ireland's students be encouraged, incentivised and supported to become more internationally mobile?

SECTION 7: HIGHER EDUCATION AND CIVIL SOCIETY

7.1 INTRODUCTION

In previous sections of this document we have seen how higher education helps individuals to realise their full potential and how, through teaching and learning activities, R&D and knowledge transfer work, supported by a variety of international partnerships, the sector can make a very tangible contribution to Northern Ireland's economic prosperity and international standing.

The scope of higher education, however, reaches further than that. It has a key role to play in contributing to the development of a fairer, more just society which is inclusive, tolerant and culturally diverse. These broader societal benefits are not as well articulated as some of the more tangible and quantifiable benefits associated with public investment in the sector, but the contribution that the sector can make to the overall cohesiveness of society is increasingly recognised.

In this section we outline how existing relationships and interfaces between the higher education sector, the individual and the community are contributing to this agenda, and look at ways in which these can be further developed in the future.

7.2 HIGHER EDUCATION AND SOCIETY

As the Council of Europe's report *Universities as Sites of Citizenship and Civic Responsibility* highlights, HEIs are key platforms for the transmission of democratic values and civic education for their students, the local community and wider society. Our HEIs provide, as the Council's report suggests, "a platform for a new social architecture that advances the related objectives of greater political participation, and the internalisation of civic values"⁵⁷.

A considerable number of relationships and interfaces exist within and around the Northern Ireland higher education sector at a variety of levels. It is through such relationships that higher education can contribute to the peaceful, fair and prosperous society envisaged in the Executive's *Programme for Government 2008-11*.

7.2.1 The individual

Northern Ireland's HEIs have an important role in ensuring economic and social mobility for the people of Northern Ireland, playing a pivotal role in the development of a modern knowledge-based economy and a confident and inclusive society which values diversity. A key contribution to this will be the steps taken by the sector to ensure equality of opportunity of access for disadvantaged groups.

Step-Up, for example, a science-based initiative of academic and vocational activities delivered by schools, the University of Ulster, industry and Government, is a highly structured programme providing an opportunity for disadvantaged pupils to improve their academic performance, self-esteem and motivation and to complete a period of

57. Universities as sites of Citizenship and Civic Responsibility - Final Report Council of Europe 2002, page 65.

SECTION 7: HIGHER EDUCATION AND CIVIL SOCIETY cont.

study at university. Step-Up is targeted at schools in areas of social and economic disadvantage and is designed to increase participation rates in higher education from lower socio-economic classification (SEC) groups 5-7. The programme currently operates in 16 secondary schools in areas of relative socio-economic deprivation in Derry/Londonderry (since 2000) and Belfast (since 2006).

Likewise, Discovering Queen's delivers bespoke activity for disadvantaged and under-represented groups from primary school pupils to adult returners. The initiative is province-wide and targets pupils from low participation neighbourhoods. Thus, it facilitates interaction directly with key influencers at community level and within communities of practice, such as teachers, careers guidance staff and colleagues in the third sector. Since 1999, over 15,000 participants have enjoyed a range of targeted and tailored programmes to raise awareness of, and aspiration to, higher education, as well as developing their personal capacity to respond to opportunities and achieve their potential. Programmes include insight days, taster days, summer school, career planning events, STEM challenges and curriculum enrichment activities.

There are also various projects and initiatives currently underway in the sector to improve retention. Examples include the University of Ulster Peer Mentoring Project, which is aimed specifically at students with mental health difficulties and the STAR (Student Transition and Retention) project, which aims to address student needs at a variety of stages: prior to entry; during induction processes; and throughout the course.

Queen's University also recognises the need for additional support to improve retention rates. Over the last two years the School of English, through the Learning Development Service, has been running a peer mentoring scheme to help improve retention rates in the School. In addition Queen's has recently launched a Student Mental Health Strategy which "seeks to realise a vision of positive mental health and well-being for all students of the University which maximises academic achievement and personal development".

Northern Ireland's HEIs also need to be responsive and flexible in how they support individuals in work and those seeking employment. There are also a number of initiatives in place to bridge the link between HEIs and the Northern Ireland workforce, which are supported by the work of the Sector Skills Councils and the Workforce Development Fora.

7.2.2 Our communities

Northern Ireland's HEIs continue to make a considerable contribution to their local communities and wider society. Each HEI boasts strong links with neighbouring councils on areas of mutual co-operation, such as Coleraine Borough Council's joint funding of the University of Ulster's Riverside Theatre and Belfast City Council's Holyland Inter-Agency Group. Northern Ireland's institutions and their students also play an important civic role and are represented on local residents' groups in their areas.

A strong community focus has always been at the forefront of the Northern Ireland's HEIs' agendas. In 1983, when the New University of Ulster and Ulster Polytechnic

SECTION 7: HIGHER EDUCATION AND CIVIL SOCIETY cont.

merged, it was agreed that Magee College would be an important force in regional development in one of the most disadvantaged areas of the UK. Courses were developed in areas which would provide substantial benefits for Northern Ireland's economy. These courses, many of which are delivered on a part-time basis, continue to receive an enthusiastic support from the community, and the Magee campus of the University of Ulster continues to play a crucial and popularly recognised role in the economic and social development of the North West region. This is an example of the important way in which higher education can act to seek to deal with geographical 'cold-spots' with both opportunities and developments.

Through a range of mechanisms, Northern Ireland's institutions play a vital role in the cultural life of the community. Each year, Queen's University hosts the internationally renowned Belfast Festival at Queen's and has a pivotal role in hosting events on behalf of other festivals, such as the Belfast Film Festival. The University of Ulster, through its Cultural Development Office, provides an annual programme of arts and entertainment including exhibitions, recitals and a popular 'Talks and Tours' series. In addition, the University's Riverside Theatre plays host to national and international theatre companies alongside local talent.

Research output from Northern Ireland's HEIs also continues to play a vital role in wider society. The Northern Ireland Assembly's Inquiry into the Prevention of Suicide and Self-Harm, for example, has benefited from research undertaken by students of Queen's University into the relationship between substance abuse and suicide.

Through engagement with local communities, Northern Ireland HEIs can continue to play an important role in providing opportunities for learners to enter higher education and assist in the establishment of an open and diverse society.

7.2.3 Our society

There are strong cultural, social and political interfaces between higher education and society in Northern Ireland through which our institutions help promote the values of good citizenship, democracy and civic responsibility among their students.

Internally, the institutions promote engagement and participation through student representation in their governance structures. Externally, they are engaged with wider civic society in promoting access to learning opportunities to people who would otherwise not have considered a higher education qualification. Through their international activities they help to broaden the horizons of students and staff, creating a diverse higher education environment which, in turn, helps to challenge our insularity as a small regional economy on the fringe of Europe. Economically and culturally, their activities have helped to bring additional private, philanthropic and European investment into the region. Locally, the HEIs also have a powerful role in raising aspiration and in providing an environment where individuals from different communities and nationalities can mix freely with tolerance and mutual respect.

SECTION 7: HIGHER EDUCATION AND CIVIL SOCIETY cont.

7.2.4 Beyond our borders

Northern Ireland's HEIs have well-established links with HEIs and business partners throughout the globe. These represent gateways to the world, offering opportunities which can be exploited by other local stakeholders as these relationships mature and are built upon for mutually beneficial purposes. They also create opportunities for Northern Ireland to brand itself as an outward looking, innovative and dynamic economy.

International activity also contributes to Northern Ireland's international reputation through its application for the benefit of other less well developed economies. Northern Ireland's HEIs recognise the importance of higher education in the field of international development, as shown by the work currently being undertaken in Africa by Queen's University, the University of Ulster, Stranmillis University College and St. Mary's University College.

This work has been supported by the Department through the Education Partnership Africa Scheme Northern Ireland (EPA NI), which aims to contribute to the capacity of higher and further education institutions in sub-Saharan Africa to deliver employability skills for the local economy, and the Enhancing Learning and Research for Humanitarian Assistance (ELRHA) project, which aims to create a bridge between the resources of the higher education sector and the needs of the humanitarian sector.

7.3 POINTERS FOR THE FUTURE: LOOKING TOWARDS 2020

There are, clearly, very tangible economic benefits to be achieved from higher education's learning, R&D and knowledge transfer activities. However, the sector also has the potential to play a pivotal role in the wider societal development of Northern Ireland, particularly in the promotion of social justice, cultural enrichment, inclusion and diversity.

All of our HEIs are engaged, in some way, in activities which contribute to these wider goals. Indeed, there are many fine examples where their activities have produced results and outcomes to which other economies aspire, for example our widening participation initiatives and the success of our research collaborations with the ROI.

It is important, therefore, that we build on these successes. With almost 50% of our young people currently entering higher education, we need to recognise that it is not merely a process for learning and research. Our institutions are important civic institutions in their own right, playing a significant role in the cultural and economic life of their local communities and the regional development of Northern Ireland. They have the capacity to influence our values, our sense of fairness and the promotion of tolerance and diversity as we seek to establish a 'shared future'.

To achieve this, there is a need to translate the myriad individual projects and initiatives into a concerted and systematic programme of civic and cultural engagement and development through, for example:

SECTION 7: HIGHER EDUCATION AND CIVIL SOCIETY cont.

- the development of sustainable outreach links between the HEIs and the local voluntary, community and local Government sectors, supported by external engagement committees in which all stakeholders are represented;
- initiatives to render our institutions less remote and intimidating and their facilities more open and accessible to local communities;
- the role of the FECs in their provision of higher education in enabling those from geographical ‘cold-spots’ to benefit from a higher education experience;
- the development of closer relationships with the school system, particularly in disadvantaged areas;
- the identification of role models to demonstrate what is achievable and to promote aspiration;
- initiatives to encourage community participation by the student body; and
- looking outward, a new commitment to internationalisation.

Northern Ireland’s HEIs should be strongly committed to being a cultural and social resource for the local community. Such a commitment carries with it an involvement in numerous aspects of the whole life of the wider community. In this way, the institutions and staff should aim to act as a positive force in the process of social and economic regeneration.

HEIs also have a responsibility to challenge insularity by developing a diverse, multicultural campus and encouraging international student and staff mobility, both inward and outward. A diverse student campus must also engage with the community so that the benefits can be shared across the whole of society in Northern Ireland.

However, the higher education sector cannot shoulder such responsibilities in isolation. All stakeholders who benefit directly or indirectly from the sector have a significant role to play. Effective collaborative relationships between stakeholders will be fundamental to the development of a vibrant sector of international calibre, which pursues excellence in teaching and research and which plays a pivotal role in the creation of a modern, knowledge-based economy and a confident, inclusive society which values diversity.

7.4 PROPOSALS FOR CONSIDERATION

Based on the analysis and evidence in this section, we propose the following for consideration within a Higher Education Strategy for Northern Ireland:

- Increasing opportunities for learners to enter higher education and assist in the development of initiatives and programmes at the HEIs to ensure the establishment of an open and diverse society.
- Promoting the creation of sustainable outreach links between the HEIs and the local voluntary, community and local Government sectors, supported by external engagement committees in which all stakeholders are represented.
- HEIs working in partnership with FECs to encourage and promote access to higher education and to enable students from geographical ‘cold-spots’ to benefit from a higher education experience.

SECTION 7: HIGHER EDUCATION AND CIVIL SOCIETY cont.

7.5 QUESTIONS

With these proposals in mind, we would welcome your response to the following questions:

Question eight:

- How should the already established relationships and interfaces with local communities and civic society be developed further to maximise their effectiveness?

Question nine:

- If new relationships and interfaces need to be established, what should they look like?

SECTION 8: HIGHER EDUCATION FINANCE AND GOVERNANCE

8.1 INTRODUCTION

The Department for Employment and Learning provides funding towards higher education provision in Northern Ireland to the Queen's University of Belfast, the University of Ulster, St. Mary's University College, Stranmillis University College and the six further education colleges.

In 2008/09, the Department provided more than £214 million to the universities and university colleges⁵⁸. Government investment accounted for 38% and 46% of Queen's University's and the University of Ulster's total income respectively, and 63% and 64% for Stranmillis and St. Mary's respectively. In the same year, the Department provided £25.7 million to the further education colleges (FECs) for the provision of higher education; this figure does not include the provision of student support⁵⁹.

It must be acknowledged that the proposals set out in Lord Browne's Review into Higher Education and Student Finance, which was published on 12 October 2010, provide for the radical transformation of the financial relationship between Government, the higher education sector and students. If these proposals are adopted by the UK Government and reflected in its spending plans for England, they will have implications for the local Executive's ability to sustain the current arrangements. As these issues are considered as part of a wider debate on the system of funding to be applied to the higher education system in the future, the proposals below may be subject to radical change.

8.2 FUNDING STRUCTURES

Funding allocations to the universities are provided through an annual recurrent and block grant, which includes funding for teaching and learning, research and initial teacher education.

8.2.1 Core university funding

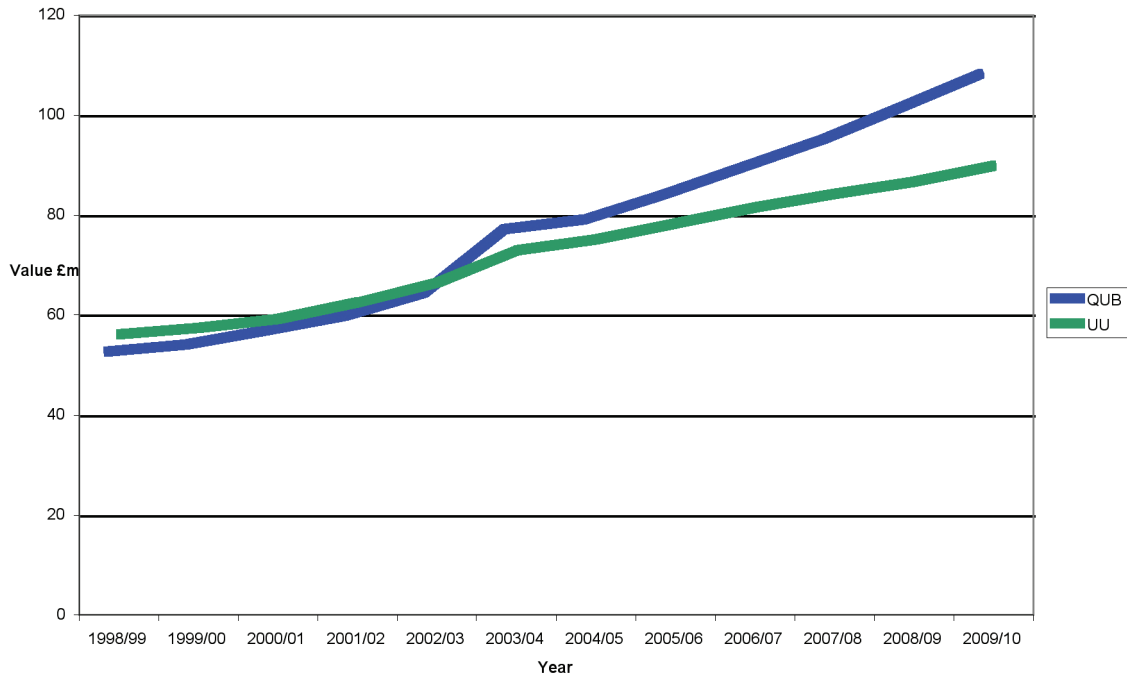
The Department for Employment and Learning has steadily increased funding to the universities over the last decade. This increase has taken account of a growing student population, inflationary pressures and a strong commitment to encourage and invest in research. For financial year (FY) 1998/99, Northern Ireland's two universities received a total of £111.9 million in institutional core block funding. This increased to £201.2 million in 2009/10, representing an increase of 80%.

58. See section 3.2.1

59. Of which, £17.7 million for part-time and £8 million for full-time

SECTION 8: HIGHER EDUCATION FINANCE AND GOVERNANCE cont.

Table 1: Northern Ireland universities block grant 1998-2010



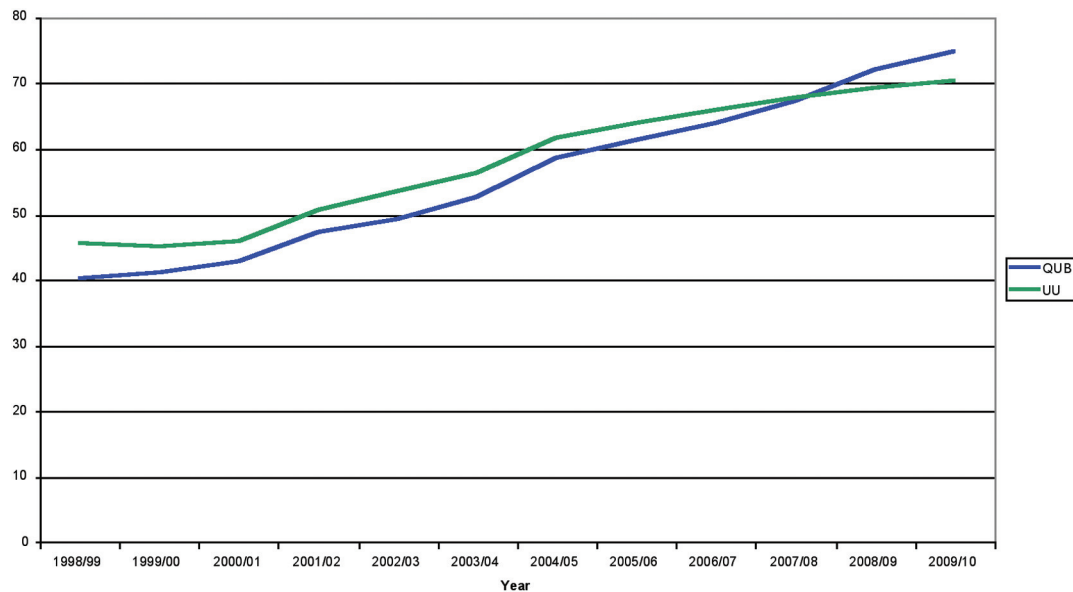
It should be noted that the overall percentage of Departmental funding for universities in Northern Ireland (42.6%) is higher than comparative figures for the rest of the United Kingdom (England 35.5%, Wales 38.4% and Scotland 41.5%).

A significant proportion of the annual block grant covers teaching and learning provision. For FY 1998/99, the universities received a total of £85.9 million for teaching and learning, compared with £143.7 million for 2009/10; an increase of 67%. The teaching and learning funding allocations are calculated using a model which largely mirrors that employed by the Higher Education Funding Council for England (HEFCE). The broad principle of the funding model is to provide similar resources for similar activities.

SECTION 8: HIGHER EDUCATION FINANCE AND GOVERNANCE cont.

Table 2: Northern Ireland universities teaching grant 1998-2010

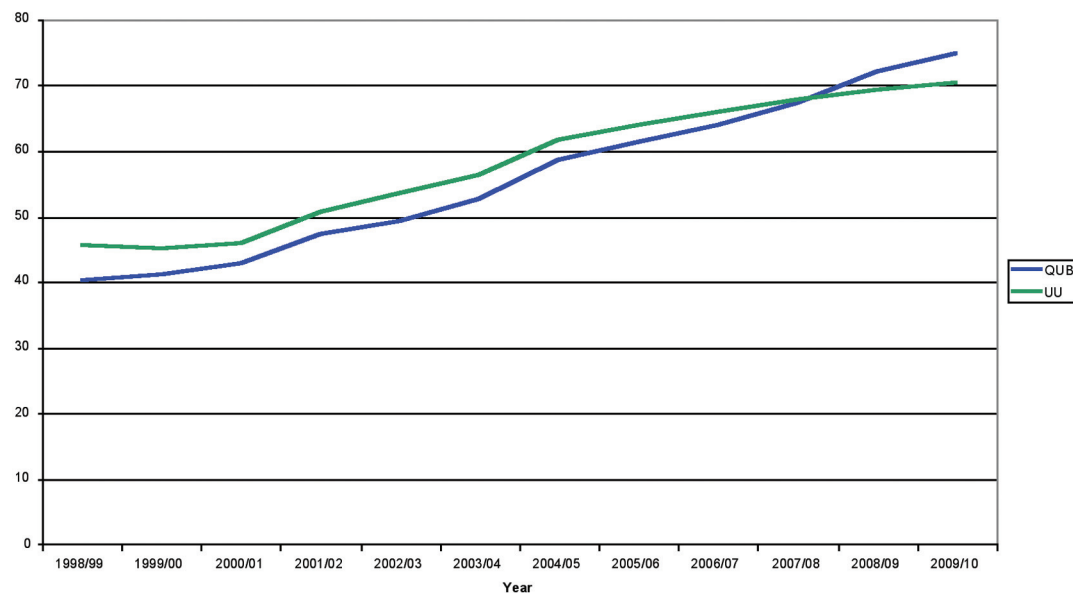
Northern Ireland's teaching grant 1998 - 2010



While funding for research makes up a smaller proportion of the annual block grant, the amount of research funding provided by the Department has increased significantly over the last decade. For FY 2009/10, the universities received a total of £55.9 million for research, compared with £21.2 million for 1998/99; an increase of 164%.

Table 3: Northern Ireland universities research grant 1998-2011

Northern Ireland HEI's research grant 1998-2011



SECTION 8: HIGHER EDUCATION FINANCE AND GOVERNANCE cont.

8.2.2 Initial Teacher Education funding

The majority of Initial Teacher Education (ITE) courses are provided by St. Mary's and Stranmillis University Colleges, with Queen's University and the University of Ulster both offering a Postgraduate Certificate in Education (PGCE). The Department also funds the Open University to deliver a number of PGCE courses. The principal statistical model used to determine the numbers of ITE students to be admitted to these institutions is the Department of Education's Teacher Demand Model (TDM), which takes account of projected pupil numbers, pupil:teacher ratios, course wastages, teacher wastages and re-entry rates of teachers.

Until 2008/09, the funding allocated to the university colleges was not directly related to the number of students enrolled. However, a new funding model has since been introduced, with ITE places funded at rates comparable to those paid by the Training & Development Agency in England and non-ITE places funded at HEFCE rates. A decline in ITE numbers, as set each year by the Department of Education, has meant that the amount of grant which the university colleges receive under the funding model has also declined. Both university colleges have therefore been developing strategic approaches to their long term sustainability. Pending the outcome of these, the university colleges have been receiving additional top-up or 'conversion' funding from the Department to ensure that neither faced a significant decline in government funding in the 2008/09 to 2010/11 academic years.

8.2.3 Capital funding

The Department has provided capital funding to the universities, both for teaching and learning and for research. Teaching and learning capital funding is designed to allow the universities to enhance the physical infrastructure used for teaching and learning purposes. Research capital funding is broadly designed to allow the universities to enhance their research facilities.

In the current Comprehensive Spending Review (CSR) period (2008-2011), the total capital funding provided to the universities by the Department for teaching and learning and research is £65.3 million.

Table 4: CAPITAL FUNDING FOR THE PERIOD 2008-11

Capital programme (2008-11)	£ m
Learning and teaching capital	30.78
Research capital investment fund	31.99
Universities – strategic capital investment fund	1.30
University colleges – strategic capital investment fund	1.29
Total	65.36

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

In Northern Ireland, approval of capital funding is decided very much on a project by project basis. Project proposals in the form of an economic appraisal are subject to Departmental, and possible Department of Finance and Personnel, approval. Therefore projects may or may not be funded depending on the availability of funds and the Department's evaluation of the supporting economic appraisal.

In contrast, HEFCE has taken a 'lighter' approach to capital funding. HEFCE allows English HEIs to manage their own capital projects as long as they have been assessed capable of managing capital funding in a strategic manner. HEFCE also expects HEIs to undertake an investment appraisal, which is very similar to the economic appraisals completed in Northern Ireland. However, as autonomous bodies, the HEIs do not need to present these to HEFCE for scrutiny or approval. Moreover, the funding is provided on an agreed profile with no requirement to claim the funding on a retrospective basis as is the case in Northern Ireland.

Therefore, within the English system, universities are guaranteed a capital funding stream across the CSR period and are free to manage individual projects within very broad constraints. However, each institution does remain accountable for the capital funds it receives and must be able to demonstrate that public funds are being well used and are delivering real value.

There is a need for continued capital investment in Northern Ireland's universities. Without this continued investment, students in Northern Ireland will enjoy a poorer quality higher education experience; the competitiveness of Northern Ireland institutions will be eroded, both within the UK and internationally; and this will have a detrimental effect on the general economic and social development of Northern Ireland⁶⁰.

8.2.4 Funding for higher education in further education

Each Further Education College's HE in FE budget allocation is determined on the basis of a range of factors, including: delivery in previous years, actual and projected delivery in the current year, the College Development Plan bid, bilateral negotiations and Departmental resources and priorities.

The funding distribution mechanism is derived from student enrolments being converted to standard Funded Learning Units (FLU), taking into account the mode of attendance (i.e. full-time or part-time), duration, level and economic priority of the study, as well as disadvantage weighting. The value of a FLU is £3,400 for both mainstream further education and HE in FE provision, with additional weighted funding available for the higher education provision. The FLU mechanism is also the means by which each college's in-year progress is monitored against agreed curriculum targets, to establish actual delivery at year end and to inform next year's provision within each college.

60. Future needs for capital grant funding in higher education in Northern Ireland. A review of the future of SRIF and Learning & Teaching Capital. JM Consulting – September 2006

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

8.2.5 The Maximum Aggregate Student Number (MaSN)

Since 1994, the number of full-time undergraduate places in Northern Ireland institutions has been subject to a ‘cap’ known as the Maximum Aggregate Student Number (MaSN).

While the MaSN has been used as a cap on student numbers, it is in reality a method of controlling two elements of expenditure, the block grant and student support. However, the MaSN only relates specifically to full-time undergraduate students who attend universities and university colleges in Northern Ireland, as student support provided to Northern Ireland students who attend university in England, Scotland or Wales is not ‘capped’. Nor does the MaSN restriction apply to postgraduate, part-time, and Postgraduate Certificate of Education (PGCE) student numbers, some social work places or to students from outside the EU. Therefore, in terms of controlling government expenditure, the MaSN is not a perfect formula.

The use of the MaSN can also potentially have unintended consequences in relation to the “displacement” of local students or those from particular socio-economic backgrounds.

However, as the traditional undergraduate demographic decreases, if Northern Ireland’s current participation rates remain constant and the current funding regime remains in place, less funding will be required under the MaSN as fewer ‘traditional’ students enter the system, which may prove detrimental to our institutions. Consequently, there is a variety of options available for consideration in regard to the future of the MaSN:

- the MaSN could remain at its current level as the 18 year-old population decreases, which would increase participation rates from ‘other learners’;
- the MaSN level could decrease in parallel with the reduction in the number of the 18 year old population, thus maintaining current participation rates and, subject to wider funding policy, releasing resources for other activities; or
- the MaSN could be removed completely providing institutions with greater freedom to decide how they shape and fund their respective student demographics.

In the short term, the former Minister for Employment and Learning, Sir Reg Empey, said that he would consider potentially targeted expansions in areas such as STEM and the University of Ulster has requested an increase of 1,000 in its MaSN allocation to be used at its Magee campus. A strategic outline case for this expansion is currently with the Department for consideration, with a bid for funding submitted as part of the Budget 2010 process.

However, a fundamental question for the strategy to address is whether it is appropriate for the key formula for teaching support to the higher education sector to be so heavily dependent on the number of full-time undergraduates at a time when the numbers in the 18-21 cohort are reducing and the market requires more flexible approaches to learning and an expansion of postgraduate opportunities.

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

8.3 STUDENT SUPPORT

The Department provides a range of financial support measures for full-time undergraduate higher education students. These include: tuition fee loans; maintenance loans; maintenance grants; parents' learning allowance; disabled students allowance; and childcare grants. Part-time undergraduate students, who are studying at least 50% of an equivalent full-time course, can also apply for student support in the form of a fee and course grant. In 2009/10, £286 million of student support was paid out to undergraduate students by the Department, an increase of £128 million since 2005/06.

Not all student support needs to be repaid by the student and students do not have to pay tuition fees upfront. For support requiring repayment, graduates only have to repay when they are earning over £15,000 per annum and then only at a relatively small (9%) proportion of their earnings above the threshold at a non-commercial rate of interest linked to inflation. In addition, all outstanding debt (excluding arrears) is written off after 25 years.

A review of tuition fees and student support in Northern Ireland, chaired by Joanne Stuart, Chairman of the Institute of Directors Northern Ireland Division, has been completed and was published on 12 October 2010. A public consultation is to be carried out in early 2011 which will take into account the findings of Lord Browne's Review in England and the UK Government's response to it.

The Browne Report makes a series of proposals which could potentially have a significant impact on the funding of higher education in England. When considered alongside the Stuart Report (which will be adapted in light of Browne's recommendations) it is clear that the balance of funding between the student and Government in Northern Ireland may alter substantially from the current position. One scenario which emerges is that the overall "control" on student numbers may actually be determined by the amount of funding available for student support, rather than that available through the block grant. While the earliest changes to either tuition fees or student support could be made in academic year 2012/13, it will ultimately be the Northern Ireland Assembly which will take any decisions following the public consultation.

Students will continue to choose to study in the rest of the UK and ROI for a variety of reasons; reasons that in the majority of cases cannot be attributed to these students not receiving a place at a Northern Ireland institution. The percentage of people who go to university outside Northern Ireland has decreased over recent years with the large majority of students being "determined" leavers who want to leave Northern Ireland to study elsewhere⁶¹. The Department welcomes the fact that students choose to study outside Northern Ireland; the experience that they gain can greatly benefit employers and the local economy when they return. However, graduates will go where opportunities for high level employment prospects exist. If Northern Ireland cannot provide such opportunities, these graduates will go elsewhere, and this will ultimately have an adverse impact on our economy.

61. Osbourne Report

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

8.4 GOVERNANCE AND ACCOUNTABILITY

Institutional autonomy and academic freedom are regarded as two of the key principles characterising high performing HEIs. Northern Ireland's universities are autonomous corporate institutions with charitable status. Both university colleges are also legally and financially autonomous, but are academically integrated within Queen's University as Schools of the University, and are regarded as such for the purposes of academic quality assurance.

The existing governance framework between the Department and each university and university colleges is set out in a Financial Memorandum with which the institutions are required to comply as a condition of funding. The Financial Memorandum sets out the terms and conditions under which annual funding is allocated. The Financial Memorandum is split into two parts. Part 1 details the high level terms and conditions common to both universities and university colleges and is normally only updated every 4-5 years. Part 2 is re-issued every year and states conditions specific to each institution, detailing the funding available for that academic year and the educational provision agreed to in return for this funding. The Financial Memoranda are supplemented by other accountability codes and guidance documents, many of which are specifically aimed at the higher education sector.

8.4.1 Universities

Each year, Queen's University and the University of Ulster are required to supply a range of accountability reports to the Department. Under a Service Level Agreement with the Department, the HEFCE Assurance Service assesses the extent to which these returns, supported by any other relevant information, demonstrate the effectiveness of risk management, control and governance arrangements across many areas, including student recruitment and retention, financial performance, audit and estates management.

The conclusions from the assessments are summarised in an annual Risk Assessment report to the Department which places each university into one of two categories, 'at higher risk' or 'not at higher risk'. In common with the majority of HEIs across England, Queen's University and the University of Ulster are currently deemed to be 'not at higher risk'.

In addition, the HEFCE Assurance Service carries out periodic review visits to the universities to gain an overview of the adequacy and effectiveness of their risk management, control and governance arrangements. HEFCE's most recent visits to the University of Ulster (in February 2008) and Queen's University (in May 2009) did not raise any significant issues of concern.

A review was commissioned by the Finance and Governance Expert Group to establish if the assurances required by the Department from the institutions were comprehensive, reasonable and appropriate, and whether they imposed an unfair accountability burden on the Universities in Northern Ireland compared to HEIs in England. The review found

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

that the assurances required by the Department were fair and reasonable. The review, however, also noted that the governance framework for the sector was different in certain respects to that which would apply to large private or public sector bodies.

8.4.2 University colleges

HEFCE does not provide an assurance service to the Department in respect of St. Mary's and Stranmillis University Colleges, as HEFCE does not support comparable (teacher training) institutions in England. The university colleges are, however, required to provide the Department with accountability information.

As with the universities, both university colleges submit an Annual Assurance Statement on Internal Control directly to the Department's Permanent Secretary who holds annual Accountability Meetings with the Principal of each university college. The university colleges also provide progress reports and/or audit certificates in respect of special initiative and capital projects as required by the relevant grant letter or Letter of Offer. All assurance documentation provided by the University Colleges is reviewed by Account staff in the Department's Higher Education Finance Branch and any areas of concern are raised with the relevant institution.

8.4.3 Higher education in further education

The present Governance arrangements for the further education colleges are determined by the Further Education (NI) Order 1997. Under Article 13 of the Order Governing Bodies have a duty to secure the efficient and effective management of the institute and to ensure that the institute provides, or secures the provision of, suitable and efficient further education to its students. They are required to have regard to the provision of education in their areas and the educational needs of industry, commerce and the community in their areas. The Instruments and Articles of Government of the FECs set out the constitution of the Governing Body and how it is to be conducted. The Order also requires the Governing Body to establish an Audit Committee.

The FECs' Governing Bodies are also required to have regard to the strategic direction and priorities set for the sector by the Department. These priorities have remained the same for the past few years. They are:

- to support the regional and local economy;
- to widen access and increase participation;
- to raise standards and improve quality; and
- to ensure an efficient and effective sector.

The Department has established a number of special initiatives to promote its strategic objectives. Further education colleges set out their forward plans in rolling three year College Development Plans which are approved by their Governing Bodies.

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

8.5 POINTERS TO THE FUTURE: LOOKING TOWARDS 2020

There is a degree of uncertainty about the exact nature of the governance framework that is required to regulate the relationship between the sector and Government on behalf of the taxpayer. Opinion is diverse, ranging from a position which fully respects the autonomy of the organisation and academic freedom (a “hands-off” approach), to one which recognises a need for a proportionate degree of accountability (a “light touch/arms length approach”), to one which essentially treats the institutions as public bodies subject to the full range of government and Assembly controls (the “hands-on” approach).

There is a consequent need to resolve some fundamental issues in this regard. A balance needs to be struck in respect of bodies that receive substantial levels of public funding but also have significant levels of income from other sources, and a consensus needs to be reached on what level of influence, if any, the Department should attach to the use of block grant funding to the universities. The issue of how the funding model can best secure the interests of taxpayer over the next decade should also be considered.

8.5.1 A new funding model

Northern Ireland’s universities and university colleges are in competition with those from the rest of the UK and the Republic of Ireland. Therefore, any decisions regarding fees and funding mechanisms must ensure that they are not significantly disadvantaged.

As autonomous institutions with substantial resources of their own, a case can be made that Northern Ireland universities and university colleges should not be subject to excessive regulation. However, as the primary funder, the Department, on behalf of the taxpayer, has a legitimate right to ensure that university and university college resources are deployed efficiently and effectively and that their business plans are aligned with the Programme for Government, specifying if necessary desirable/required outcomes in return for public funding (including research funding).

Currently the Department and Northern Ireland’s universities work within an Assurance Framework to ensure that the Department is confident of the appropriate spend of funding. However, as the majority of funding is allocated as a core grant which is minimally targeted, the universities have significant freedom to determine how those resources should be deployed and to what effect. However, some elements of expenditure are subject to very detailed monitoring.

Although the current model also includes some limited funding for part-time students and recognises the additional cost to institutions of such provision, it is predominantly dependent on full-time student numbers. Despite recent modifications to help take account of students who do not complete their intended course of study, the model does not fully accommodate those who wish to undertake flexible study on a modular basis or online.

If Northern Ireland’s higher education sector is to rise to the challenges it faces beyond 2010, there is a need for greater financial flexibility. Consequently, the time is right to

SECTION 8: HIGHER EDUCATION

FINANCE AND GOVERNANCE cont.

assess the opportunities for changing the current higher education sector funding model. Potentially, a new model could be simplified to include the following characteristics:

- mode-free funding of teaching and student support, allowing students to move between modes and institutions, learn in class and online and build up transferable credits over time;
- funding by module, removing the distinction between full-time/part-time and undergraduate/taught postgraduate study;
- a comprehensive credit accumulation and transfer scheme which enables student mobility, both in time and location; and/or
- a comprehensive integrated virtual learning environment.

A key consideration is how the funding model might best influence the behaviour of the sector in delivering the policy changes deemed necessary in a highly competitive higher education market in a way which gives proper regard to the social and economic benefits to which Government aspires to for the population.

A new simplified model with a focus on outcome has the capacity to encourage the upskilling of the current workforce. This model could also improve retention rates by allowing students who would otherwise drop out to ‘bank’ completed modules and take a break from studying until they are ready to return to higher education, thus making it more flexible and accessible. It may also provide the opportunity for students to move more freely from institution to institution using credit transfer mechanisms, enabling student mobility and thus supporting an outward looking, internationalised student body. It could incentivise wider participation, greater emphasis on postgraduate opportunities and the recruitment of more students from GB, ROI the EU and beyond.

8.5.2 Governance

As legally autonomous organisations, Northern Ireland’s universities and university colleges’ status should be appropriately reflected in the governance framework put in place by the Department. As these institutions are currently substantially funded through public monies, they are part of the public sector in a broad sense and must be duly accountable for their spending.

Most of Northern Ireland’s universities and university colleges now generate significant income from private and voluntary (trust) sources and are accountable for the use of such monies to the funder, but not to the Department. It is, therefore, important that they demonstrate adherence to the highest standards of corporate governance irrespective of the funding source. As the primary funder, the Department must be assured that the corporate governance arrangements for these HEIs are fit for purpose. The Financial Memorandum should take account of UK-wide HEI Financial Memoranda but also reflect the appropriate degree of assurance required by the Department’s Accounting Officer

SECTION 8: HIGHER EDUCATION FINANCE AND GOVERNANCE cont.

(and regulators such as the Northern Ireland Audit Office and the Department of Finance and Personnel). It is, however, important that the degree of scrutiny applied to universities and university colleges is proportionate and reflects accurately the risk posed to the Department and its objectives, with public funders liaising closely with the institutions to ensure that there is minimal duplication of effort in terms of the level of scrutiny.

In addition to considering a new funding model for the sector there is also a need to assess the current higher education governance framework to achieve a framework that would recognise institutional autonomy and also the relationship between Government and the sector.

Northern Ireland's universities, university colleges and the Department must have a clear understanding of where responsibilities of accountability and governance lie. As public finances become more constrained and learners' needs evolve, it is imperative that Northern Ireland has a flexible model in place to respond, with all stakeholders recognising the important contribution they can make to achieve this.

8.6 PROPOSALS FOR CONSIDERATION

Based on the analysis and evidence in this section, we propose the following for consideration within a Higher Education Strategy for Northern Ireland:

- Changing the funding model for higher education to a simplified system that better reflects the need for part-time, modular study to ensure flexibility, adaptability and responsiveness in higher education.
- Assessing the extent to which the MaSN, as a means of controlling expenditure, is still fit for purpose.
- Considering whether the Financial Memorandum between the Department and the universities and university colleges takes account of the UK-wide HEI Financial Memoranda and also reflects the appropriate degree of assurance.
- Striking a clear balance between HEI autonomy and the role of the Department through a renewed funding and governance framework to ensure clarity in roles and responsibilities.

SECTION 8: HIGHER EDUCATION FINANCE AND GOVERNANCE cont.

8.7 QUESTIONS

With these proposals in mind, we would welcome your response to the following questions:

Question ten:

- How can we ensure that government funding is being used effectively to support learners and respond to economic priorities?

Question eleven:

- What are your views on the higher education funding model in Northern Ireland?

Question twelve:

- How could government funding, including student support, be revised to support modular and flexible study?

Question thirteen:

- What are your views on the cap on student numbers (MaSN)?

SECTION 9: PROPOSAL FOR CONSIDERATION

9.1 PROPOSAL FOR CONSIDERATION

In order to build on and strengthen relationships between all higher education stakeholders, it may prove beneficial to establish a body to oversee the implementation of a Higher Education Strategy for Northern Ireland. This body would comprise key stakeholders from within and outside the higher education sector whose remit and purpose would be clearly stated. Its primary focus would be to ensure that the recommendations contained within the Strategy are taken forward and to ensure co-operation between all stakeholders in focus and delivery.

It is important that the size and composition of any implementation body should provide the appropriate blend of experience and expertise to ensure that it can undertake its mission effectively, and that all stakeholders recognise and understand the contribution they can make to the success of higher education in Northern Ireland.

9.2 QUESTION

We would welcome your response to the following question:

Question fourteen:

- What are your views on the establishment of a strategic implementation body to oversee the implementation of the Strategy when it is finalised?

ANNEX A: SUMMARY OF PROPOSALS AND QUESTIONS

A vision for higher education: 2010-2020

PROPOSAL

- The Department's vision for higher education is one of a sector which is vibrant, of international calibre, which pursues excellence in teaching and research and which plays a pivotal role in the development of a modern, sustainable knowledge-based economy which supports a confident inclusive society which recognises and values diversity.

QUESTION

Question one

- What are your views on the vision outlined above for the development of the higher education sector up to 2020?

A learning society

PROPOSALS

- Teaching and learning needs to be flexible, accessible and of the highest quality. More flexible pathways to qualifications need to be developed, with funding arrangements incentivising this change.
- The sector should seek to develop "Distinctive Northern Ireland Graduates"; graduates who possess additional skills that will place them at an advantage globally.
- A greater emphasis on part-time participation in higher education and on postgraduate research and training is required involving closer collaboration with industry and continuing Government commitment to research and development activities.
- The roles of the FECs in the provision and delivery of higher education should be further developed and fostered in partnership with the universities and university colleges.
- There is a need to incentivise choices for STEM areas beyond the traditional higher education courses
- There is a need for a greater emphasis on sub-degree qualifications which better meet the needs of local industry and brings Northern Ireland into line with the rest of the UK and Europe.
- It is imperative that we build on the success to date of widening participation to ensure access for all those who can benefit from higher education, addressing inequalities of gender and socio-economic grouping at a time of constrained resource availability.

ANNEX A: SUMMARY OF PROPOSALS AND QUESTIONS cont.

QUESTIONS

Question two:

- How should higher education in Northern Ireland be delivered to best support the needs of current and future learners, including those in the workforce?

Question three:

- How can learning at higher education institutions in Northern Ireland be made distinctive from the rest of the UK, the Republic of Ireland and Europe, leading to graduates with greater employability potential?

Higher education and the economy

PROPOSALS

- Research should continue to be funded at an appropriate level to enable our universities to fulfil their central role to develop and sustain a world-class research base in Northern Ireland.
- Increased employer engagement with higher education and the continual development of knowledge exchange activity with businesses, the public sector and with the third sector is required.
- The promotion of entrepreneurship in the local economy through the higher education sector, including the development of graduates with the right set of skills necessary to compete in a global economy.
- Working more closely with local industry, particularly SMEs and potential investors to ensure that skills gaps are identified and addressed, putting in place flexible client-focused approaches to do so.
- Northern Ireland must play to its strengths, ensuring the development of a high quality skills base and a willingness to respond to investors.
- Cross-departmental co-operation to promote interest in, and the study of, priority subjects from an early age, achieving the right balance between these and other subject areas, whilst respecting academic freedom.

QUESTIONS

Question four:

- How can the higher education sector maximise its contribution to Northern Ireland's economy, particularly in relation to research and development?

Question five:

- How can higher education, government and business work more effectively to identify research and development needs and improve the knowledge and skills of the current, and future, workforce?

ANNEX A: SUMMARY OF PROPOSALS AND QUESTIONS cont.

Internationally connected

PROPOSALS

- Expansion of Northern Ireland's market share within the UK in respect of international activity and overseas student enrolments through the development of a unique Northern Ireland higher education selling point.
- Encouraging, incentivising and supporting Northern Ireland students to avail of the opportunities for international mobility.
- Institutions should seek to further develop their portfolio of well managed overseas institutional partnerships that benefit not only their students and institutions but Northern Ireland as a whole.
- Healthy and substantial international research links should continue to be fostered, for overseas trade and inward investment. In particular, HEIs should continue to work with SMEs to ensure they are well placed to reap the benefits of internationalisation.

QUESTIONS

Question six:

- As higher education becomes increasingly globalised, how can Northern Ireland's institutions further expand their international portfolios, to assist not only the higher education sector, but Northern Ireland as a whole?

Question seven:

- How can Northern Ireland's students be encouraged, incentivised and supported to become more internationally mobile?

Higher education and civil society

PROPOSALS

- Increasing opportunities for learners to enter higher education and assist in the development of initiatives and programmes at the HEIs to ensure the establishment of an open and diverse society.
- Promoting the creation of sustainable outreach links between the HEIs and the local voluntary, community and local Government sectors, supported by external engagement committees in which all stakeholders are represented.
- HEIs working in partnership with FECs to encourage and promote the provision of higher education in enabling those from geographical 'cold-spots' to benefit from a higher education experience.

ANNEX A: SUMMARY OF PROPOSALS AND QUESTIONS cont.

QUESTIONS

Question eight:

- How should the already established relationships and interfaces with local communities and civic society be developed further to maximise their effectiveness?

Question nine:

- If new relationships and interfaces need to be established, what should they look like?

Higher education finance and governance

PROPOSALS

- Changing the funding model for higher education to a simplified system that better reflects the need for part-time, modular study to ensure flexibility, adaptability and responsiveness in higher education.
- Assessing the extent to which MaSN, as a means of controlling expenditure, is still fit for purpose.
- Considering whether the Financial Memorandum between the Department and the universities and university colleges takes account of the UK-wide HEI Financial Memoranda and also reflects the appropriate degree of assurance.
- Striking a clear balance between HEI autonomy and the role of the Department through a renewed funding and governance framework to ensure clarity in roles and responsibilities.

QUESTIONS

Question ten:

- How can we ensure that government funding is being used effectively to support learners and respond to economic priorities?

Question eleven:

- What are your views on the higher education funding model in Northern Ireland?

Question twelve:

- How could government funding, including student support, be revised to support modular and flexible study?

Question thirteen:

- What are your views on the cap on student numbers (MaSN)?

ANNEX A: SUMMARY OF PROPOSALS AND QUESTIONS cont.

Implementing the Strategy

PROPOSAL

In order to build on and strengthen relationships between all higher education stakeholders, it may prove beneficial to establish a body to oversee the implementation of a Higher Education Strategy for Northern Ireland.

QUESTION

Question fourteen:

- What are your views on the establishment of a strategic implementation body to oversee the implementation of the Strategy when it is finalised?

ANNEX B: EXPERT GROUP RECOMMENDATIONS

Learning Expert Group recommendations

1. The purposes and benefits of learning in higher education need to be articulated and clearly communicated to all stakeholders.
2. Higher education in Northern Ireland needs to articulate and communicate the opportunities and benefits of 'higher' education across society and particularly to businesses.
3. Higher education in Northern Ireland needs to continue to develop multiple transition routes into and out of higher education to enable the opportunities for meaningful learning experiences to be accessed through an adult's life.
4. Curricula and Credit Frameworks should be designed to maximise accessibility to and progression within, higher education thereby facilitating lifelong learning.
5. Society and Government in Northern Ireland must recognise the importance of postgraduate provision (both taught and research) in areas which are research-led and/or have the potential to contribute most to the growth of the knowledge-based economy, including areas such as providing postgraduate opportunities for accredited Continuing Professional Development (CPD).
6. To ensure an internationally competitive knowledge-based economy there must be even closer engagement and collaboration between higher education in Northern Ireland and businesses.
7. Higher education in Northern Ireland should place greater emphasis on 'matching' student expectation with course provision to ensure satisfying learner expectation. This would contribute to the reduction of non continuation rates.
8. The content of subject-based curriculum should be constantly evolving to meet the needs and demands of learners, the knowledge-based economy and society in Northern Ireland.
9. To support a knowledge-based economy and businesses higher education in Northern Ireland should work with schools and other providers and be incentivised to promote the numbers studying and completing STEM subjects.
10. Higher education in Northern Ireland must strengthen engagement with employers to support a knowledge-based economy and should consider further development of partnerships between higher education providers, businesses and development agencies.
11. Remaining internationally competitive: Internationalising the 'offer' and the university

ANNEX B: EXPERT GROUP RECOMMENDATIONS cont.

- For providers of HE in NI ‘the (further) internationalisation’ of higher education in Northern Ireland (such as internationalisation of the curricula, identifying the contribution and benefits of incoming international students, increasing the number of students from Northern Ireland having a period of overseas international experience , international staff, international, Bologna and research engagement especially through the European Research Council, etc).
 - Government agencies (such as Department for Employment and Learning) must work closely with higher education in Northern Ireland providing support to ensure higher education in NI remains internationally competitive.
12. There is a need for an Executive body to oversee the recommendations emerging from the HE Strategy for Northern Ireland.
 13. Modes of study need to be developed to match changing demands.
 14. Greater flexibility of choice by offering more flexibility of routes (time and place) of entry and access to the learning opportunities and the curriculum for all able to benefit irrespective of the individual’s personal status.
 15. Greater collaboration between providers and greater use of technology.
 16. To support a philosophical shift in regard to how students learn at both undergraduate and postgraduate levels higher education providers in Northern Ireland should review and re-think their approaches and practices to funding, curriculum design, modes and methods of accessing learning opportunities and the support of staff development to achieve these.
 17. To develop an evidence-based approach to practice and gain maximum benefit from technology continue to work with national agencies such as the Higher Education Academy (HEA), Joint Information Systems Committee (JISC), Quality Insurance Agency (QAA) etc.

Economy Expert Group recommendations

1. As business benefits from a higher skilled workforce it should play a greater role in supporting students and graduates. This support should include providing high quality student placements and meaningful projects, supporting R&D and innovation, business incubation mentoring, student bursaries and attractive salaries for highly skilled graduates. Government should look at ways to encourage business to increase support.
2. As overall public finances come under increasing pressure Government should continue to ensure sufficient funds are allocated to support the skills agenda. Government, business and HEI should work together to ensure that affordability is not a barrier to higher level education and that we continue to provide world class higher education and R&D.

ANNEX B: EXPERT GROUP

RECOMMENDATIONS cont.

3. A small higher education / Government / business group should be established (this may be a combination of existing groups or replace existing groups) and be chaired by the Minister or a senior official to ensure it is viewed as a meaningful body. The objective of this group would be to facilitate engagement between:-
 - (i) Higher education providers (including universities and FE).
 - (ii) Government (including Department for Employment and Learning, Department for Enterprise Trade and Investment, Department of Education, Office of the Northern Ireland Adviser on Employment and Skills and Invest NI).
 - (iii) Business (including business organisations, not for profit organisations, professional bodies and the public sector as an employer).

The remit of such a group would be to:-

- (i) Monitor effectiveness of implementation of the HE strategy.
- (ii) Identify gaps and define future HE requirements
- (iii) Make recommendations on course design
- (iv) Propose solutions to current issues e.g. high quality work placements
- (v) Improve communication flows between stakeholders

HEI / Government and Business would be responsible for selecting people to represent them (maximum three each) and to develop a governance structure to ensure full participation.

4. Higher education institutions should establish a single “one stop shop” in conjunction with other training/education partners, where businesses have a single point of contact to get support in identifying solutions to their training, education and R&D requirements.
5. Business and higher education should develop closer lecturer / business relationship. This may consist of an ambassadorial programme, enabling business and higher education institutions to develop meaningful placements/real life projects for students. For example see Appendix 2. Other examples of ‘connected universities’ can be found in the NESTA report <http://www.nesta.org.uk/library/documents/Report%202023%20%20The%20Connected%20Uni%20v4.pdf>
6. Within a flexible qualifications framework, flexible and varied postgraduate opportunities should be developed by business and higher education to encourage people to undertake continuing professional development. Business should lead on developing a more structured approach to masters level degrees and professional doctorates where the task/project is related to a specific business issue/problem.
7. Business and higher education to identify those areas where there is a lack of required bespoke training, including short courses for current staff. Courses which are already available should be identified, including available funding. In addition, continuing professional development (CPD) needs to be developed further. Government should, therefore, rationalise/optimize available funding to businesses

ANNEX B: EXPERT GROUP RECOMMENDATIONS cont.

for training and increasing the skills of staff. There is also a need to establish what funding is available. An increase in the funding of such training by businesses will be needed, and businesses should appreciate the value of this training.

8. Priority should be given to developing a broad range of skills required to encourage innovative thinking as a core skill. Higher Education Institutions should enhance their engagement with Invest NI.
9. Schools, the careers service, higher education institutions and business should provide high quality advice on career paths, including skills/qualifications required, employment opportunities, and salary expectations. This should include opportunities to start your own business. This information should be widely available to students and their parents.
10. Business / Government / higher education institutions should work together to identify the core competencies that should be incorporated into higher education courses. These may include:
 - Self management
 - Teamworking
 - Communication and literacy
 - Numeracy
 - IT literacy
 - Problem solving
 - Entrepreneurship
 - Customer service
 - Interpersonal skills
 - Innovation and creative thinking
11. Business and professional bodies, in association with the higher education sector and Government, should work to address the leadership and management skills gaps.
12. Business, higher education and Government should identify high level research areas of importance, recommend how to fund research in these areas and promote international co-operation. Consideration should be given to increasing the number of high quality international PhD level students studying in Northern Ireland. MATRIX should be central to this and the Northern Ireland Adviser on Employment and Skills should advise on the skills needed to support the development of high value sectors.
13. The panel supports the recommendations of the September 2009 STEM report and would encourage their speedy implementation.
14. Recommendation 1 of the September 2009 STEM report is that “business should develop and lead a framework of stakeholders which will engage directly with

ANNEX B: EXPERT GROUP RECOMMENDATIONS cont.

schools, FECs, universities and Government to focus on growing the STEM artery across the education services and the promotion of STEM within our society.” Currently it is not clear how this can be achieved. A business structure should be established to facilitate this recommendation.

15. Higher education institutions and business should support students enrolling in economically relevant courses by providing bursaries, scholarship and paid work placement opportunities.
16. Future government funding model should, if necessary, be modified to ensure that the higher education sector is incentivised to deliver a balanced portfolio of economically relevant courses.
17. Business and the higher education institutions to develop flexible qualifications framework and training models to upskill people who are currently in employment.
18. Funding for part-time higher education to be reviewed with a view, if necessary, to providing greater incentives for higher education institutions to provide part time courses and to encourage people currently in employment to enter higher education.

International Expert Group recommendations

For the HEIs

1. Challenging institutional targets should be set for increasing international partnership and overseas student recruitment, within the HEIs’ academic planning processes. We should aim to approach the performance of the rest of the UK by 2020.
2. Curricula should be reviewed to ensure their global relevance so that students are prepared for the modern world, and that there is appropriate content to attract international students.
3. Opportunities for students to study and have work placements abroad should be pursued and promoted, and arrangements to facilitate shorter periods overseas should be investigated and developed.
4. Academic staff early in their careers should be encouraged and supported in travelling abroad to establish contacts and build networks. Staff recruited from overseas have an especially significant role in this process.
5. International student enrolment across Northern Ireland, including at FE Colleges which can have a significant role and can benefit from the experience of the universities and university colleges, should be encouraged.

ANNEX B: EXPERT GROUP RECOMMENDATIONS cont.

6. The value brought to the Northern Ireland economy and society by HEIs' international research and institutional partnerships should be strongly promoted.

For the NI Government

1. An over-arching international strategy for Northern Ireland is needed, within which the HE international strategy and plan can relate to the agendas of relevant departments and agencies.
2. An International Education Unit should be established to drive the NI international agenda, to provide coordination, facilitate communication (including with the British Council and Universities UK) and support institutional delivery. Through this the Department for Employment and Learning, the Department for Enterprise, Trade and Investment, Invest NI, the universities and other stakeholders should liaise to co-ordinate trade, technology and investment missions overseas and take full advantage of all related opportunities and programmes supporting internationalisation.
3. 10% of Postgraduate Research Studentships should be designated to support the recruitment of high quality international (including European) research students in STEM subjects.
4. Additional funding should be provided to the universities and colleges to support an international placement and partnership programme for early career academic staff linking them with HEIs and companies overseas.
5. Financial support should be made available for the development of and student participation in new mobility programmes additional to existing schemes such as Erasmus and BEI, to include links with developing countries (e.g. in Africa).
6. Local employers should be assisted to provide additional IAESTE work placements for incoming overseas students, both for their own benefit and to increase overseas work opportunities for NI students.

Society and People Expert Group recommendations

1. Higher education institutions should explore how they systematically engage with their wider community with a view to enhancing political, social and economic life in Northern Ireland. They should create high level External Engagement Committees chaired by the Vice Chancellors. The purpose of the Committees would be to systematically connect the HEIs to Government, business and civil society. A symbiotic relationship with the purpose of developing the region and in turn further developing the universities will add value to both. The committees should involve representatives from Government and the Social Partners Group Concordia (Confederation of British Industry, Irish Congress of Trade Unions, Northern Ireland Council for Voluntary Action and UFU) to consider the application

ANNEX B: EXPERT GROUP RECOMMENDATIONS cont.

of the HEIs' intellectual resources to drive step changes in political, social and economic policy in Northern Ireland.

2. The mission of each higher education institution in Northern Ireland should reflect a core value of providing an environment which facilitates enlightened political debate and a research-based framework which enables the growth and development of our political institutions.
3. HEIs should continue to provide a neutral ground for the development of values of good citizenship, democracy and civil responsibility among its students.
4. The issues surrounding participation in higher education are extremely complex and are as individual as the students themselves. The circumstances that will determine whether or not an individual will participate in higher education may have their origins long before the potential candidate applies for a course in a university or college. Indeed those same circumstances may well have considerable bearing on how well the individual succeeds once in higher education. The Department should recognise the complexity of the individual learner experience and should develop a strategy that addresses the entire student lifecycle. The Widening Participation Strategy should begin a process to identify the groups that may require additional support in a more strategically focused manner, examining best practice in various contexts at an international level. It should acknowledge and address the need to raise aspirations to participate in higher education among underrepresented groups and to raise educational attainment levels to permit that participation. Recruitment processes must be improved to ensure that students not only have the necessary information to apply for the right course but that all relevant information is taken into account in the selection process for courses. Finally, widening participation must include all stages of the student experience, including retaining the student throughout their programme and ensuring successful progression from higher education into employment or further study as appropriate.
5. Higher education institutions should develop an agreement, begun at offer stage, between the institution and each new student, that sets out the responsibilities of both parties clearly focused on their intention of obtaining a successful outcome. The agreement should be reviewed periodically in discussion between the student and their Advisor of Studies. While the student should be held to account this meeting provides the opportunity for pastoral care and action to head off problems that could lead to drop out.
6. While each school within a higher education institution examines specifically their own rates of retention, greater emphasis should be placed on intervention at critical points before a student finally decides to leave. Exit interviews should be collated and analysed and action taken if appropriate. Extra attention should be given to students with additional needs to ensure that the correct support packages are in place.

ANNEX B: EXPERT GROUP

RECOMMENDATIONS cont.

7. Flexible learning options, for students who may need to take a short break from study due to illness or other personal circumstances should be explored.
8. Specialised support mechanisms may need to be funded and provided to meet the needs of non-traditional students recruited through access and widening participation programmes.
9. A strong emphasis should be placed on the quality of teaching standards equal to research standards.

Governance recommendations

1. All HEIs, their Governing Bodies and the Department should review the findings and conclusions from this section – both from Professor Clark’s review of the CUC Guide and the views of those interviewed – with a view to enhancing their governance arrangements where that is deemed appropriate.
2. HEIs should review their arrangements for engaging with stakeholders – Government, employer organisations, local councils etc – and satisfy themselves that these are effective and fit for purpose in the modern era.
3. The Department should amend the Financial Memorandum applied to HEIs in Northern Ireland to ease the (current) excessive regulation on the sale, leasing and transfer of land.
4. The Department should liaise with Department of Finance and Personnel and the Northern Ireland Audit Office to remove any obstacles to the adoption of the lighter touch Capital Investment Framework. The Group recommends that this should be treated as a matter of urgency.
5. The Department should ensure that regular meetings take place between the Minister/Permanent Secretary and the Chair of each Governing Body to obtain assurance that Governing Bodies are functioning effectively.
6. In line with a risk-based approach and consistent with value for money principles, there should be better liaison between public funders and significantly less duplication of audit and scrutiny. The Department’s Permanent Secretary should raise this issue with his colleagues on the Permanent Secretaries’ Group with a view to leading a concerted effort to reduce the level of audit and scrutiny put on HEIs and other public bodies in receipt of grant funding.

Funding and performance recommendations

1. The Department should actively contribute to the HEFCE consultation process with a view to ensuring that the resultant funding model is suitable for, and can be applied in, Northern Ireland. Any future funding model adopted for Northern Ireland should be as cohesive and simplistic as possible.

ANNEX B: EXPERT GROUP RECOMMENDATIONS cont.

2. The Department should address the issue of student loans for part-time study to facilitate the changing balance between full-time and part-time study which is likely to occur in the coming years.
3. The Department should be more strategic in its approach to the higher education sector. It should be more proactive in specifying desirable/required outcomes in return for public funding to ensure that maximum output is achieved from all HEIs to the benefit of the wider Northern Ireland economy.
4. The Department should try and ensure that any competition between HEIs, in particular Queen's and Ulster, is healthy and productive, represents value for money for the public pound in the current economic climate and is beneficial to the Northern Ireland economy.
5. There is a need for Northern Ireland to continue to invest in the higher education sector and to keep the level of investment as high as possible. While, this would ideally mean maintaining it at its present levels, this may not be a realistic expectation in a financially constrained environment where there will be many competing demands for resources.
6. In the group's view, HEIs should be encouraged to collaborate where possible and to diversify to maximise their income.
7. The Group recommends that the Department should make the appropriate representation to HMRC and the Assembly to tackle the practice whereby HMRC impose VAT on shared services.
8. HEIs are in competition with HEIs in Great Britain and Ireland. Consequently, it is important that fee levels in Northern Ireland are consistent with those in England and Wales.
9. The Group recommends that any increase in tuition fee levels in England (and Wales) should be mirrored in Northern Ireland. Where this is not the case, there may need to be a significant investment of government funding to ensure that HEIs in Northern Ireland are not disadvantaged.
10. One area where Northern Ireland is not on a par with the rest of the UK is in student retention rates. The Group recommends that, where possible, the Department continues to support steps being taken by individual HEIs to address this issue.

ANNEX C: HIGHER EDUCATION STRATEGY GROUP MEMBERSHIP

Steering Group	
Sir Graeme Davies (Chair)	
Professor Richard Barnett	University of Ulster
John D’Arcy	Further education sector
Fergus Devitt	Department for Employment and Learning
Professor Roger Downer	University of Limerick
Gail Ferguson	National Union of Students/Union of Students in Ireland
Breidge Gadd	Voluntary/Community sector
Professor Peter Gregson	Queen’s University Belfast
Andrew Hamilton	Department for Employment and Learning
Dr Rosemary Hamilton (later John D’Arcy)	Open University
Rotha Johnston	Business sector
Mark Langhammer	Voluntary/Community sector
Marie Lindsay	Schools sector
Bill McGinnis	Northern Ireland Adviser on Employment and Skills
Renee Prendergast	University and College Union
Joanne Stuart	Business sector
Professor Sir David Watson	Green Templeton College, Oxford

ANNEX C: HIGHER EDUCATION STRATEGY GROUP MEMBERSHIP cont.

Project Group	
Fergus Devitt (Chair)	Department for Employment and Learning
Ursula Kelly	IMPACT Initiative
Wendy Lecky	Department for Employment and Learning
Professor Richard Millar	University of Ulster
James O’Kane	Queen’s University Belfast
Alan Ramsey	Department for Employment and Learning
David Sadler	Higher Education Academy
Gary Sloan	Open University

ANNEX C: HIGHER EDUCATION

STRATEGY GROUP MEMBERSHIP cont.

Economy Expert Group	
Michael Murray (Chair)	BT
Professor Norman Black	University of Ulster
Carolyn Brown	Federation of Small Business
Joanne Coyle	Invest NI
Victor Dukelow	Department for Employment and Learning
William Fitzpatrick	PricewaterhouseCoopers
Fiona Hepper	Department of Enterprise, Trade and Investment
David Hyland	Confederation of British Industry
David Leonard	Department for Employment and Learning
Professor James McElroy	Queen's University Belfast
Deirdre McGill	Office of the Northern Ireland Adviser on Employment and Skills
Sheila Rodgers	Department for Employment and Learning
Glyn Roberts	Northern Ireland Independent Retail Trade Association
Rena Shepherd	Northern Ireland Chamber of Commerce
Brian Webb	Open University in Ireland
Ken Webb	Further education sector

ANNEX C: HIGHER EDUCATION STRATEGY GROUP MEMBERSHIP cont.

Learning Expert Group

Gabriel Jezierski (Chair)	Higher Education Academy
Audrey Curry	Stranmillis University College
Dominic Doherty	National Union of Students / Union of Students in Ireland
Professor Ellen Douglas-Cowie	Queen's University Belfast
Professor John Gardner	Economic and Social Research Council
Paul Gibbens	Higher Education Funding Council for England
Faustina Graham	Department of Education
Brian Henry	Alliance of Sector Skills Councils
Dr Arlene Hunter	Open University
John Kerr	Department for Employment and Learning
Professor Denise McAlister	University of Ulster
Deirdre McGill	Office of Northern Ireland Adviser on Employment and Skills
Calum Morrison	Further education sector
Dr John Sweeney	St. Mary's University College

ANNEX C: HIGHER EDUCATION STRATEGY GROUP MEMBERSHIP cont.

International Expert Group	
Professor Fabian Monds (Chair)	
Professor Alastair Adair	University of Ulster
Anne Davies	Bologna Expert
Helen Evans	Open University
Professor Peter Finn	St. Mary's University College
David Leonard	Department for Employment and Learning
Leo Murphy	Further education sector
Trevor Newsom	Queen's University Belfast
Dr Maureen Thatcher	Stranmillis University College
Professor Myles Wickstead	Association of Commonwealth Universities

ANNEX C: HIGHER EDUCATION STRATEGY GROUP MEMBERSHIP cont.

Finance/Governance Expert Group

David Nicholl (Chair)	Chartered Institute of Public Finance and Accountancy
Adrian Arbuthnot	Department of Finance and Personnel
Norman Bennett	Queen's University Belfast
Paul Gibbens	Higher Education Funding Council for England
Peter Hope	University of Ulster
Heather Laird	Open University
Billy Lyttle	Department for Employment and Learning
Angela McAllister	Department for Employment and Learning
Brian McFall	St Mary's University College
Stephen Mungavin	Chartered Institute of Public Finance and Accountancy
Alan Ramsey	Department for Employment and Learning

ANNEX C: HIGHER EDUCATION

STRATEGY GROUP MEMBERSHIP cont.

Society and People Expert Group	
Seamus McAleavey (Chair)	Northern Ireland Council for Voluntary Action
Alan Carr	Open University
Wilma Fee	Queen's University Belfast
Susie Grey	Belfast Metropolitan College
Elaine Kelly	National Union of Students / Union of Students in Ireland
Kieran Mannion	Widening Participation co-ordinator
Dr Gerard McCann	St. Mary's University College
Tony McKibben	Department for Social Development
Professor Anne Moran	University of Ulster
Johnny Nolan	Careers Service
Dr Eamon Phoenix	Stranmillis University College
Alan Ramsey	Department for Employment and Learning

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Further information:

telephone: 028 9025 7512

email: hepolicy.branch@delni.gov.uk

web: www.delni.gov.uk/hestrategy

www.nidirect.gov.uk